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**Summary**

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## Regulations and other acts

Gouvernement du Québec

### **O.C. 159-2008, 27 February 2008**

An Act respecting transportation services by taxi  
(R.S.Q., c. S-6.01)

#### **Taxi servicing area**

#### **— Maximum number of taxi owner's permits and certain conditions of operation**

#### **— Amendment to Order in Council 732-2002 dated 12 June 2002**

Amendment to Order in Council 736-2002 dated 12 June 2002 fixing the maximum number of taxi owner's permits per taxi servicing area and certain conditions of operation

WHEREAS the first paragraph of section 10 of the Act respecting transportation services by taxi (R.S.Q., c. S-6.01) provides that the Commission des transports du Québec shall issue the taxi owner's permits to be used in a servicing area after sending a notice to the Association professionnelle des chauffeurs de taxi du Québec and after taking into consideration, where applicable, the maximum number of taxi owner's permits it is authorized to issue pursuant to an order made under the third paragraph of that section;

WHEREAS the third paragraph of that section provides that the Government may, for each servicing area it specifies, fix the maximum number of taxi owner's permits that may be issued by the Commission des transports du Québec according to the services specified by the Government and, where applicable, the conditions determined by the Government;

WHEREAS the third paragraph of that section provides that such an order may be made only after consultation, in particular, of the holders of a taxi owner's permit concerned following the consultation procedures determined by the Minister of Transport;

WHEREAS under Order in Council 736-2002 dated 12 June 2002, the Commission des transports du Québec may not issue, for each area established and delimited under subparagraph 4 of the first paragraph of section 79 of the Act, more taxi owner's permits than the maximum for each area indicated in the Schedule attached to that Order in Council;

WHEREAS the holders of a taxi owner's permit in the Mont-Tremblant servicing area were consulted in accordance with the third paragraph of section 10 of the Act;

WHEREAS it is expedient to amend the maximum number of taxi owner's permits fixed for the Mont-Tremblant servicing area, bearing administrative number 207811 of the Commission des transports du Québec;

IT IS ORDERED, therefore, on the recommendation of the Minister of Transport:

THAT the Schedule to Order in Council 736-2002 dated 12 June 2002, amended by Orders in Council 1250-2003 dated 26 November 2003, 767-2005 dated 17 August 2005 and 614-2007 dated 1 August 2007, be amended to add four permits to the maximum number of taxi owner's permits that the Commission des transports du Québec may issue for the Mont-Tremblant servicing area, bearing administrative number 207811, bringing the maximum number of taxi owner's permits for that area to a total of twelve.

GÉRARD BIBEAU,  
*Clerk of the Conseil exécutif*

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Gouvernement du Québec

### **O.C. 162-2008, 27 February 2008**

Transport Act  
(R.S.Q., c. T-12)

#### **Brokerage of bulk trucking services** **— Amendment**

Regulation to amend the Regulation respecting the brokerage of bulk trucking services

WHEREAS paragraph *f* of section 5 of the Transport Act (R.S.Q., c. T-12) allows the Government to make regulations to determine the minimum or maximum term of a permit, prescribe that a permit is not renewable, exempt a permit from the renewal procedure provided in

section 37.1, prescribe the conditions on which a permit may be renewed or reinstated and determine the cases where a permit may be renewed by the administrator of the Commission;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), a draft of the Regulation to amend the Regulation respecting the brokerage of bulk trucking services was published in Part 2 of the *Gazette officielle du Québec* of 20 December 2006 with a notice that it could be made by the Government on the expiry of 45 days following that publication;

WHEREAS it is expedient to make the Regulation without amendment;

IT IS ORDERED, therefore, on the recommendation of the Minister of Transport:

THAT the Regulation to amend the Regulation respecting the brokerage of bulk trucking services, attached to this Order in Council, be made.

GÉRARD BIBEAU,  
*Clerk of the Conseil exécutif*

## Regulation to amend the Regulation respecting the brokerage of bulk trucking services\*

Transport Act  
(R.S.Q., c. T-12, s. 5, par. f)

**1.** The Regulation respecting the brokerage of bulk trucking services is amended by replacing section 37.1 by the following:

“**37.1.** Every brokerage permit expiring on 31 March 2008 is automatically renewed for a one-year period ending on 31 March 2009.”

**2.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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\* The Regulation respecting the brokerage of bulk trucking services, made by Order in Council 1483-99 dated 17 December 1999 (1999, *G.O.* 2, 5079), was last amended by the regulation made by Order in Council 201-2007 dated 21 February 2007 (2007, *G.O.* 2, 1137). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Québec Official Publisher, 2007, updated to 1 September 2007.

## M.O., 2008-06

### Order number V-1.1-2008-06 of the Minister of Finance dated 4 March 2008

Securities Act  
(R.S.Q., c. V-1.1)

CONCERNING concordant regulations to Regulation 11-102 respecting passport system and Regulation 41-101 respecting general prospectus requirements

WHEREAS subparagraphs 1, 2, 3, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 19, 19.1, 19.2, 20, 21, 25, 26, 33 and 34 of section 331.1 of the Securities Act (R.S.Q., c. V-1.1), amended by section 15 of chapter 15 of the statutes of 2007, stipulate that the Autorité des marchés financiers may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act stipulate that a draft regulation shall be published in the Bulletin of the Authority, accompanied with the notice required under section 10 of the Regulations Act (R.S.Q., c. R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section stipulate that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or any later date specified in the regulation;

WHEREAS the following regulations have been made by the Autorité des marchés financiers or approved by the minister of Finances:

— Regulation 11-101 respecting principal regulator system approved by ministerial order no. 2005-18 dated August 10, 2005;

— National Instrument 14-101 Definitions adopted by decision no. 2001-C-0274 dated June 12, 2001;

— Regulation 14-501Q respecting definitions adopted by decision no. 2003-C-0128 dated April 3, 2003;

— Regulation 44-101 respecting short form prospectus distributions approved by ministerial order no. 2005-24 dated November 30, 2005;

— Regulation 44-102 respecting shelf distributions adopted by decision no 2001-C-0201 dated May 22, 2001;

— Regulation 44-103 respecting post-receipt pricing adopted by decision no. 2001-C-0203 dated May 22, 2001;

— Regulation 45-101 respecting rights offerings adopted by decision no. 2001-C-0247 dated June 12, 2001;

— Regulation 51-102 respecting continuous disclosure obligations approved by ministerial order no. 2005-03 dated May 19, 2005;

— Regulation 58-101 respecting disclosure of corporate governance practices approved by ministerial order no. 2005-11 dated June 7, 2005;

— Regulation 81-101 mutual fund prospectus disclosure by decision no. 2001-C-0283 dated June 12, 2001;

— Regulation 81-102 mutual funds by decision no. 2001-C-0209 dated May 22, 2001;

— Regulation 81-104 respecting commodity pools by decision no. 2003-C-0075 March 3, 2003;

— Regulation No. 14 respecting acceptability of currencies in material filed with securities regulatory authority by decision no. 2001-C-0294 dated June 12, 2001;

— National Policy No. 21 National Advertising Warnings by decision no. 2001-C-0251 dated June 12, 2001;

— Regulation Q-2 respecting real estate financings by decision no. 2001-C-0260 dated June 12, 2001;

— Regulation Q-3 respecting options by decision no. 2003-C-0135 dated April 8, 2003;

— Regulation Q-17 respecting restricted shares by decision no. 2001-C-0264 dated June 12, 2001;

— Regulation Q-18 respecting additional information for disclosure in prospectus of deposit-taking issuers by decision no. 2001-C-0252 dated June 12, 2001;

— Regulation Q-25 respecting real estate mutual funds by decision no. 2001-C-0425 dated September 11, 2001;

— Regulation Q-28 respecting general prospectus requirements adopted by decision no. 2001-C-0390 dated August 14, 2001;

WHEREAS the government, by order-in-council no. 660-83 of March 30, 1983, enacted the Securities Regulation (1983, *G.O.* 2, 1269);

WHEREAS there is cause to amend those regulations;

WHEREAS the following draft regulations were published in accordance with section 331.2 of Securities Act and made by the Authority by decision no. 2008-PDG-0058 dated February 22, 2008:

— Regulation to amend Regulation 11-101 respecting principal regulator system published in the Bulletin de l'Autorité des marchés financiers, volume 4, no. 13 of March 30, 2007;

— Regulation to amend National Instrument 14-101 Definitions published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006 and volume 4, no. 13 of March 30, 2007;

— Regulation to amend Regulation 14-501Q respecting definitions published in the Bulletin de l'Autorité des marchés financiers, volume 4, no. 51 of December 21, 2007;

— Regulation to amend Regulation 44-101 respecting short form prospectus distributions published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006;

— Regulation to amend Regulation 44-102 respecting shelf distributions published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006;

— Regulation to amend Regulation 44-103 respecting post-receipt pricing published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006;

— Regulation to amend Regulation 45-101 respecting rights offerings published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006;

— Regulation to amend Regulation 51-102 respecting continuous disclosure obligations published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006;

— Regulation to amend Regulation 58-101 respecting disclosure of corporate governance practices published in the Bulletin de l'Autorité des marchés financiers, volume 4, no. 13 of March 30, 2007;

— Regulation to amend Regulation 81-101 mutual fund prospectus disclosure published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006;

— Regulation to amend Regulation 81-102 mutual funds published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006 and volume 4, no. 51 of December 21, 2007;

— Regulation to amend Regulation 81-104 respecting commodity pools published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006 and volume 4, no. 13 of March 30, 2007;

— Regulation to repeal Regulation No. 14 respecting acceptability of currencies in material filed with securities regulatory authority published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006;

— Regulation to repeal National Policy No. 21 National Advertising Warnings published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006;

— Regulation to repeal Regulation Q-2 respecting real estate financings published in the Bulletin de l'Autorité des marchés financiers, volume 4, no. 51 of December 21, 2007;

— Regulation to repeal Regulation Q-3 respecting options published in the Bulletin de l'Autorité des marchés financiers, volume 4, no. 51 of December 21, 2007;

— Regulation to repeal Regulation Q-17 respecting restricted shares published in the Bulletin de l'Autorité des marchés financiers, volume 4, no. 51 of December 21, 2007;

— Regulation to repeal Regulation Q-18 respecting additional information for disclosure in prospectus of deposit-taking issuers published in the Bulletin de l'Autorité des marchés financiers, volume 4, no. 51 of December 21, 2007;

— Regulation to repeal Regulation Q-25 respecting real estate mutual funds published in the Bulletin de l'Autorité des marchés financiers, volume 4, no. 51 of December 21, 2007;

— Regulation to repeal Regulation Q-28 respecting general prospectus requirements published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006;

— Regulation to amend the Securities Regulation published in the Bulletin de l'Autorité des marchés financiers, volume 4, no. 51 of December 21, 2007;

WHEREAS there is cause to approve those regulations without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the following regulations appended hereto:

— Regulation to amend Regulation 11-101 respecting principal regulator system;

— Regulation to amend National Instrument 14-101 Definitions;

— Regulation to amend Regulation 14-501Q respecting definitions;

— Regulation to amend Regulation 44-101 respecting short form prospectus distributions;

— Regulation to amend Regulation 44-102 respecting shelf distributions;

— Regulation to amend Regulation 44-103 respecting post-receipt pricing;

— Regulation to amend Regulation 45-101 respecting rights offerings;

— Regulation to amend Regulation 51-102 respecting continuous disclosure obligations;

— Regulation to amend Regulation 58-101 respecting disclosure of corporate governance practices;

— Regulation to amend Regulation 81-101 mutual fund prospectus disclosure;

— Regulation to amend Regulation 81-102 mutual funds;

— Regulation to amend Regulation 81-104 respecting commodity pools;

— Regulation to repeal Regulation No. 14 respecting acceptability of currencies in material filed with securities regulatory authority;

— Regulation to repeal National Policy No. 21 National Advertising-Warnings;

— Regulation to repeal Regulation Q-2 respecting real estate financings;

— Regulation to repeal Regulation Q-3 respecting options;



— Regulation to repeal Regulation Q-17 respecting restricted shares;

— Regulation to repeal Regulation Q-18 respecting additional information for disclosure in prospectus of deposit-taking issuers;

— Regulation to repeal Regulation Q-25 respecting real estate mutual funds;

— Regulation to repeal Regulation Q-28 respecting general prospectus requirements;

— Regulation to amend the Securities Regulation.

March 4, 2008

*Minister of Finance,*  
MONIQUE JÉRÔME-FORGET

## Regulation to amend Regulation 11-101 respecting Principal Regulator System<sup>1</sup>

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1), (2), (3), (6), (8), (9), (11), (13), (14), (19), (20), (25), (26), (33) and (34); 2007, c. 15)

**1.** Section 1.1 of Regulation 11-101 respecting Principal Regulator System is amended by deleting the definition of “audit committee rule”, “BCI 52-509”, “CD requirement”, “commodity pool”, “investment fund”, “investment fund manager”, “local prospectus-related requirements”, “long form rule”, “mutual fund restricted individual”, “national prospectus rules”, “participating dealer”, “preliminary prospectus”, “principal distributor”, “prospectus”, “Regulation 33-105”, “Regulation 52-107”, “Regulation 52-110”, “Regulation 58-101”, “Regulation 81-101”, “Regulation 81-102”, “Regulation 81-104”, “Regulation 81-106” and “seed capital requirements”.

**2.** Sections 2.1 to 2.4 of the Regulation are repealed.

**3.** Section 2.8 of the Regulation is amended by replacing “sections 2.1, 2.4 and 2.5” with “section 2.5”.

**4.** The title of parts 3 and 4 and sections 3.1 to 4.3 and 5.8 of the Regulation are repealed.

**5.** Section 5.9 of the Regulation is amended by replacing “sections 5.3, 5.4, 5.5, 5.6 or 5.8” with “sections 5.3, 5.4, 5.5 or 5.6”.

**6.** Appendices A to D of the Regulation are repealed.

**7.** Appendix E of the Regulation is amended by replacing the part under “Québec” with the following:

### “Québec

— Securities Act (R.S.Q., c. V-1.1);

— Securities Regulation enacted by Order-in-Council 660-83, 30 March 1983 (1983, *G.O.* 2, 1269);

— Regulation 31-101 respecting National Registration System approved by Ministerial Order no. 2005-13 dated August 2, 2005;

— Regulation 45-106 respecting Prospectus and Registration Exemptions approved by Ministerial Order no. 2005-20 dated August 12, 2005.”

**8.** Form 11-101F1 of the Regulation is amended by:

(1) deleting, in Item 2, the words “SEDAR profile number (if applicable):” and the Instructions;

(2) deleting Item 5.

**9.** This Regulation comes into force on March 17, 2008.

## Regulation to amend National Instrument 14-101, Definitions<sup>2</sup>

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (34); 2007, c. 15)

**1.** The title of National Instrument 14-101, Definitions, is replaced with the following:

“Regulation 14-101 respecting Definitions».

<sup>1</sup> Regulation 11-101 respecting Principal Regulator System, approved by Ministerial Order No. 2005-18 dated August 10, 2005 (2005, *G.O.* 2, 3531), was last amended by the regulation to amend that Regulation approved by Ministerial Order No. 2005-25 dated November 30, 2005 (2005, *G.O.* 2, 5221). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2007, updated to September 1, 2007.

<sup>2</sup> National Instrument 14-101, Definitions, adopted on June 12, 2001 pursuant to decision No. 2001-C-0274 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, vol. 32, No. 27, dated July 29, 2001, was last amended by the instrument to amend that Instrument adopted pursuant to decision No. 2001-C-0324 dated September 10, 2002 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, vol. 33, No. 41, dated October 18, 2002.

**2.** Section 1.1 of the Instrument is amended by:

(1) replacing paragraphs (1) and (2) with the following:

“1. Every term that is defined or interpreted in the statute of the local jurisdiction referred to in Appendix B, the definition or interpretation of which is not restricted to a specific portion of the statute, has, if used in a regulation, the meaning ascribed to it in that statute unless the context otherwise requires.

“2. A provision or reference within a provision of a regulation 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 regulation.”;

(2) in paragraph (3):

(a) replacing the introductory phrase with the following:

“3. In a regulation”;

(b) replacing, in the definition of “prospectus requirement”, the words “receipts obtained” with the words “the regulator or, in Québec, the securities regulatory authority has issued receipts”;

(c) replacing the definition of “person or company” with the following:

“person or company”, for the purpose of a regulation, means,

(a) in British Columbia, a “person” as defined in section 1(1) of the Securities Act (R.S.B.C. 1996, ch. 418);

(b) in New Brunswick, a “person” as defined in section 1(1) of the Securities Act (S.N.B. 2004, c. S-5.5);

(c) in Prince Edward Island, a “person” as defined in section 1 of the Securities Act (R.S.P.E.I. 1988, c. S-3);

(d) in Québec, a “person” as defined in section 5.1 of the Securities Act (R.S.Q., c. V-1.1); and

(e) in Yukon Territory, a “person” as defined in section 1 of the Securities Act (R.S.Y. 2002, c. 201).”;

(d) replacing, in the definition of “local jurisdiction”, the words “national instrument or multilateral instrument” with “regulation”;

(e) replacing, in the definition of “implementing law of a jurisdiction”, the words “national instrument or multilateral instrument” with “regulation”.

**3.** Section 2.1 of the Instrument is amended by replacing “National Instrument” with “Regulation”.

**4.** Appendix B of the Instrument is amended by:

(1) replacing, in the paragraph opposite New Brunswick, the words “*Security Frauds Prevention Act*” with “Securities Act”;

(2) replacing the paragraph opposite Québec with the following:

“Securities Act and the regulations under that Act, An Act respecting the Autorité des marchés financiers (R.S.Q., c. A-33.2) and the blanket rulings and orders issued by the securities regulatory authority.”.

**5.** Appendix C of the Instrument is amended by:

(1) replacing the paragraph opposite Prince Edward Island with the following:

“Superintendent of Securities, Prince Edward Island”;

(2) replacing the paragraph opposite New Brunswick with the following:

“New Brunswick Securities Commission”;

(3) replacing the paragraph opposite Québec with the following:

“Autorité des marchés financiers or, where applicable, the Bureau de décision et de révision en valeurs mobilières”;

(4) replacing the paragraph opposite Yukon Territory with the following:

“Superintendent of Securities, Yukon Territory”.

**6.** Appendix D of the Instrument is amended by:

(1) replacing the paragraph opposite Prince Edward Island with the following:

“Superintendent, as defined in section 1 of the Securities Act.”;

(2) replacing the paragraph opposite New Brunswick with the following:

“Executive Director as defined in section 1 of the Securities Act.”;

(3) replacing the paragraph opposite Québec with the following::

“Autorité des marchés financiers”;

(4) replacing the paragraph opposite Yukon Territory with the following:

“Superintendent, as defined in section 1 of the Securities Act.”.

**7.** This Regulation comes into force on March 17, 2008.

### Regulation to amend Regulation 14-501Q on Definitions<sup>3</sup>

Securities Act  
(R.S.Q. c. V-1.1, s. 331.1, par. (34), 2007, c. 15)

**1.** Section 1.1 of Regulation 14-501Q on Definitions is repealed.

**2.** The Regulation is amended by adding the following after section 1.3:

“**1.4** In a regulation, a person that beneficially owns securities means a person that owns the securities or that holds securities registered under the name of an intermediary acting as nominee, including a trustee or agent.”

**3.** This Regulation comes into force on March 17, 2008.

### Regulation to amend Regulation 44-101 respecting Short Form Prospectus Distributions<sup>4</sup>

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (6), (8), (9), (11), (15) and (34); 2007, c. 15)

**1.** Section 1.1 of Regulation 44-101 respecting Short Form Prospectus Distributions is amended:

(1) by deleting the definitions of “approved rating organization”, of “special warrant”, of “information circular”, of “convertible”, of “business acquisition report” and of “derivative”;

(2) by replacing, in the definition of “successor issuer”, the word “reorganization” with the words “restructuring transaction”;

(3) by deleting the definitions of “investment fund” and of “credit supporter”;

(4) by replacing the paragraph (e) of the definition of “U.S. credit supporter” with the following:

“(e) is not a commodity pool issuer as defined in National Instrument 71-101, The Multijurisdictional Disclosure System, adopted by the decision no. 2001C0282 dated June 12, 2001”;

(5) by deleting the definitions of “executive officer” and of “non-convertible”;

(6) by replacing, in the definition of “approved rating”, the words “Dominion Bond Rating Service Limited” with the words “DBRS Limited”;

(7) by deleting the definition of “U.S. GAAS”;

(8) by deleting, in the definition of “permitted supranational agency”, the words “or company”

(9) by deleting the definitions of “interim period”, of “mineral project”, of “foreign disclosure requirements”, of “reorganization”, of “alternative credit support”, of

<sup>3</sup> Regulation 14-501Q on Definitions, adopted on April 3, 2003 pursuant to decision No. 2003-C-0128 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 34, No. 14, dated April 11, 2003, was amended solely by the Regulation to amend the Regulation approved by Ministerial Order No. 2005-22 dated August 17, 2005 (2005, G.O. 2, 3643).

<sup>4</sup> Regulation 44-101 respecting Short Form Prospectus Distributions, approved by Ministerial Order No. 2005-24 dated November 30, 2005 (2005, G.O. 2, 5183), was last amended by the regulation approved by Ministerial Order No. 2007-09 dated December 14, 2007 (2007, G.O. 2, 4077). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2007, updated to September 1, 2007.

“full and unconditional credit support”, of “designated foreign jurisdiction”, of “asset-backed security”, of “equity securities” and of “restricted security”.

**2.** The Regulation is amended by adding the following after section 1.1:

**“1.1.1. Definitions in Regulation 41-101 respecting General Prospectus Requirements**

Every term that is defined or interpreted in Regulation 41-101 respecting General Prospectus Requirements approved by Ministerial Order no. (*indicate the number and the date of the Ministerial Order approving this regulation*), the definition or interpretation of which is not restricted to a specific portion of Regulation 41-101 respecting General Prospectus Requirements has, if used in this Regulation, the meaning ascribed to it in Regulation 41-101 respecting General Prospectus Requirements, unless otherwise defined or interpreted in this Regulation.”.

**3.** Section 1.5 of the Regulation is repealed.

**4.** Paragraph 2.2(e) of the French text of the Regulation is amended by replacing “l’une des” with “les”.

**5.** Section 2.7 of the Regulation is amended:

(1) by replacing, in the French text of the heading, the words “d’une réorganisation” with the words “d’une restructuration”;

(2) by adding, in subparagraph (1)(b), the words “or each predecessor entity’s” before the words “comparative annual financial statements for its most recently completed financial year”;

(3) by replacing paragraph (2) with the following:

“(2) Paragraph 2.2(d), paragraph 2.3(1)(d) and paragraph 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 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 that resulted in the successor issuer was filed by the successor issuer or an issuer that was a party to the restructuring transaction, and such information circular

(i) complied with applicable securities legislation, and

(ii) included disclosure in accordance with Item 14.2 or 14.5 of Form 51-102F5 of Regulation 51-102 respecting Continuous Disclosure Obligations approved by Ministerial Order no. 2005-03 dated May 19, 2005 for the successor issuer.”.

**6.** The Regulation is amended by replacing the French text of subparagraph (b) of paragraph (3) of Section 2.8 with the following:

“b) celui dans lequel est situé le siège du gestionnaire de fonds d’investissement, dans le cas d’un émetteur qui est un fonds d’investissement et émetteur assujéti dans ce territoire; »;

**7.** Section 4.1 of the Regulation is amended:

(1) by replacing, in the French text of the introductory sentence, the words “remplit les conditions suivantes” with the words “procède de la façon suivante”;

(2) by replacing subparagraph (a)(iv) with the following:

“(iv) a copy of any document required to be filed under subsection 12.1(1) of Regulation 51-102 respecting Continuous Disclosure Obligations or section 16.4 of Regulation 81-106 respecting Investment Fund Continuous Disclosure, as applicable, that relates to the securities being distributed, and that has not previously been filed;

“(iv.1) a copy of any material contract required to be filed under section 12.2 of Regulation 51-102 respecting Continuous Disclosure Obligations or section 16.4 of Regulation 81-106 respecting Investment Fund Continuous Disclosure that has not previously been filed;”;

(3) by replacing, in subparagraph (a)(vi), “4.4” with “10.1 of Regulation 41-101 respecting General Prospectus Requirements”;

(4) by replacing paragraph (b) with the following:

“(b) deliver to the regulator or, in Québec, to the securities regulatory authority, concurrently with the filing of the preliminary short form prospectus, the following:

(i) a completed Appendix A to Regulation 41-101 respecting General Prospectus Requirements 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,

for whom the issuer has not previously filed or delivered,

(E) a completed personal information form and authorization in the form set out in Appendix A of Regulation 41-101 respecting General Prospectus Requirements,

(F) before March 17, 2008, a completed authorization in

(I) the form set out in Appendix B to this Regulation, or

(II) the form set out in *Form 41-501F2 Authorization of Indirect Collection of Personal Information* ((2000), 23 BCVMO (supp.) 765) of Ontario Securities Commission, or

(III) the form set out in Appendix A to Regulation Q-28 respecting General Prospectus Requirements adopted by decision no. 2001C0390 dated August 14, 2001, or

(G) before March 17, 2008, a completed personal information form or authorization in a form substantially similar to a personal information form or authorization in clause (E) or (F), as permitted under securities legislation; and

(ii) 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 or, in Québec, to the securities regulatory authority 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.”

**8.** Section 4.2 of the Regulation is amended:

(1) by replacing, in the French text of the introductory sentence, the words “remplit les conditions suivantes” with the words “procède de la façon suivante”;

(2) in paragraph (a):

(a) by replacing subparagraph (iii) with the following:

“(iii) a copy of any document described under subparagraph 4.1(a)(iv) that has not previously been filed;

“(iii.1) a copy of any material contract described under subparagraph 4.1(a)(iv.1) that has not previously been filed.”;

(b) in subparagraph (iv):

(i) by replacing , in the introductory sentence, the word “each” with the word “any” and “4.4” with “10.1 of Regulation 41-101 respecting General Prospectus Requirements”;

(ii) by replacing, in the French text of clause (A), the words “les activités” with the words “des activités”;

(iii) by adding, in clause (B), “or (vi)” after “subparagraph 4.1(a)(v)”;

(c) by replacing, in subparagraph (v), “Appendix C” with “Appendix B of Regulation 41-101 respecting General Prospectus Requirements”;

(d) by replacing subparagraph (vi) with the following:

“(vi) a submission to jurisdiction and appointment of agent for service of process of

(A) each selling securityholder, and

(B) each person required to provide a certificate under Part 5 of Regulation 41-101 respecting General Prospectus Requirements or other securities legislation, other than an issuer,

in the form set out in Appendix C of Regulation 41-101 respecting General Prospectus Requirements, if the person 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.”;

(e) by replacing, in subparagraph (vii), “4.4” with “10.1 of Regulation 41-101 respecting General Prospectus Requirements”;

(f) by replacing, in subparagraph (viii), “section 21.3 of Form 44101F1” with “section 5.12 of Regulation 41-101 respecting General Prospectus Requirements”;

(g) by adding the following after subparagraph (viii):

“(ix) 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) if a document referred to in subparagraph (iii) or (iii.1) has not been executed or become effective before the filing of the final short form prospectus but will be executed or 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 short form prospectus, an undertaking of the issuer to the securities regulatory authority to file the document promptly and in any event within seven days after the completion of the distribution; and

“(xi) 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”;

(3) by replacing paragraph (b) with the following:

“(b) deliver to the regulator or, in Québec, to the securities regulatory authority, 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, and

(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.”.

**9.** Section 4.3 of the Regulation is replaced by the following:

#### «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’s auditor or a public accountant’s review of financial statements.

(2) If Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency approved by Ministerial Order no. 2005-08 dated May 19, 2005 permits the financial statements of the person in subsection (1) to be audited in accordance with

(a) U.S. GAAS, the unaudited financial statements may be reviewed in accordance with U.S. review standards,

(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.”.

**10.** Sections 4.4 and 4.5, Part 5, including sections 5.1 to 5.6, and Part 6, including section 6.1, of the Regulation are repealed.

**11.** The Regulation is amended by replacing Part 7 and section 7.1 of the French text with the following:

### «PARTIE 7 SOLLICITATION D’INDICATIONS D’INTÉRÊT

#### «7.1. Sollicitation d’indications d’intérêt

L’obligation de prospectus ne s’applique pas à la sollicitation d’indications d’intérêt effectuée avant le dépôt d’un prospectus simplifié provisoire visant des titres qui doivent être placés au moyen d’un prospectus simplifié conformément au présent règlement lorsque les conditions suivantes sont réunies:

a) l’émetteur a conclu un contrat exécutoire avec un ou plusieurs preneurs fermes qui ont convenu de souscrire ou d’acquérir les titres;

b) le contrat visé au paragraphe a fixe les modalités du placement et oblige l’émetteur à déposer un prospectus simplifié provisoire soumis au visa de l’agent responsable ou, au Québec, de l’autorité en valeurs mobilières, le visa portant une date qui ne tombe pas plus de quatre jours ouvrables après celle du contrat;

c) dès la conclusion du contrat, l’émetteur diffuse et dépose un communiqué annonçant le contrat;



d) dès que le prospectus simplifié provisoire a été visé, un exemplaire est transmis à chaque personne qui a manifesté un intérêt à souscrire ou à acquérir les titres;

e) sous réserve du paragraphe a, aucune entente de souscription ou d'acquisition visant les titres n'est conclue avant que le prospectus simplifié n'ait été déposé et visé.»;

**12.** The Regulation is amended by adding the following after section 7.1:

**“7.2. Solicitations of Expressions of Interest - Over-allotment Options**

The prospectus requirement does not apply to solicitations of expressions of interest before the filing of a preliminary short form prospectus for securities to be issued pursuant to an over-allotment option that are qualified for distribution under a short form prospectus in accordance with this Regulation, if

(a) the issuer has entered into an enforceable agreement with the underwriters who have agreed to purchase the securities offered under a short form prospectus, other than the securities issuable on the exercise of an over-allotment option,

(b) the agreement referred to in paragraph (a) has fixed the terms of the distribution and requires that the issuer file a preliminary short form prospectus for the securities and obtain from the regulator or, in Québec, from the securities regulatory authority a receipt, dated as of a date that is not more than four business days after the date that the agreement is entered into, for the preliminary short form prospectus,

(c) the issuer has issued and filed a news release announcing the agreement immediately upon entering into the agreement,

(d) upon issuance of a receipt for the preliminary short form prospectus, a copy of the preliminary short form prospectus is sent to each person who has expressed an interest in acquiring the securities, and

(e) except as provided in paragraph (a), no agreement of purchase and sale for the securities is entered into until the short form prospectus has been filed and a receipt obtained.”.

**13.** Section 8.1 of the Regulation is amended by replacing, in paragraph (4), the words “of National Instrument 14-101 Definitions, adopted by the Commission des valeurs mobilières du Québec pursuant to” with the words “of Regulation 14-101 respecting Definitions adopted by”;

**14.** Section 8.2 of the Regulation is amended:

(1) by deleting, in paragraph (1), the words “or subsection 4.5(3)”;

(2) by replacing paragraph (2) with the following:

“(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 that sought the exemption sent to the regulator or, in Québec, to the securities regulatory authority

(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 or, in Québec, from the securities regulatory authority that the exemption may be evidenced in the manner set out in subsection (1), and

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

**15.** Appendixes B, C and D of the Regulation are repealed.

**16.** Appendix 44-101F1 of the Regulation is amended:

(1) by deleting, in Instruction (1), “, and, in Québec, not to make any misrepresentation likely to affect the value or market price of”;

(2) by replacing Instruction (2) with the following:

“(2) *Terms used and not defined in this Form that are defined or interpreted in the Regulation or Regulation 41-101 respecting General Prospectus Requirements bear that definition or interpretation. Other definitions are set out in Regulation 14-101 respecting Definitions.*”;

(3) by replacing, in the English text of Instruction (3), the words “should be” with “must be” and the words “should generally be” with “is”;

(4) by replacing, in the English text of Instruction (6), the words “easy to read” with the words “easy-to-read”;

(5) by replacing Instruction (8) with the following:

*“(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 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 the Handbook). If it is more likely than not that a person 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.”;*

(6) by adding the following after Instruction (13):

*“(14) If an issuer discloses financial information in a short form prospectus in a currency other than the Canadian dollar, prominently disclose the currency in which the financial information is disclosed.*

*“(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.”;*

(7) in Item 1.3:

(a) by replacing, in the French text, the words “page frontispice” with “page de titre”;

(b) by replacing, in the English text, the word “bold” with the words “boldface”;

(c) by deleting “[Insert if the offering is made in Québec - “For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained without charge from the secretary of the issuer at the above-mentioned address and telephone number and is also available electronically at [www.sedar.com](http://www.sedar.com)].”]”;

(8) by replacing, in the French text of Item 1.4, the words “placement secondaire” with the word “reclassement”;

(9) in Item 1.6:

(a) by replacing, in the French text of paragraph (1), the words “contre espèces” with the words “en numéraire”;

(b) by replacing paragraph (2) with the following:

*“(2) If there is an over-allotment option or an option to increase the size of the distribution before closing,*

*(a) disclose that a purchaser who acquires securities 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, and*

*(b) describe the terms of the option.”;*

(c) by adding the following after paragraph (3):

*“(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).”;*

(d) by replacing, in the English text of paragraph (4), the word “bold” with the word “boldface”;

(e) by deleting, in subparagraph (a) of paragraph (6), the words “or company”;

(f) by adding the following after paragraph (7):

#### *“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.*”;

(10) by adding the following after Item 1.6:

**“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 reporting currency.”;

(11) in Item 1.7:

(a) by replacing the French text with the following:

**“1.7. Placement à prix ouvert**

Dans le cas d’un placement à prix ouvert:

*a)* indiquer la décote consentie ou la commission payable au placeur;

*b)* indiquer toute autre forme de rémunération payable au placeur, en précisant, le cas échéant, que la rémunération du placeur sera augmentée ou réduite du montant de la différence en plus ou en moins entre le prix global payé par les souscripteurs ou les acquéreurs et le produit brut du placement versé par le placeur à l’émetteur ou au porteur vendeur;

*c)* indiquer que les titres seront placés, selon le cas:

*i)* à un prix déterminé en fonction du cours d’un titre donné sur un marché donné;

*ii)* au cours du marché au moment de la souscription ou de l’achat;

*iii)* à un prix à négocier avec les souscripteurs ou les acquéreurs;

*d)* mentionner que le prix peut différer selon les souscripteurs ou les acquéreurs et selon le moment de la souscription ou de l’achat;

*e)* si le prix des titres sera déterminé en fonction du cours d’un titre donné sur un marché donné, indiquer le dernier cours disponible de ce titre;

*f)* si le prix des titres correspondra au cours du marché au moment de la souscription ou de l’achat, indiquer le dernier cours du marché;

*g)* préciser le produit net ou, dans le cas d’un placement pour compte, le montant minimum, le cas échéant, du produit net que l’émetteur ou le porteur vendeur doit recevoir.”;

(b) by replacing, in the English text, paragraph (d) with the following:

“(d) that prices may vary from purchaser to purchaser and during the period of distribution;”;

(12) by adding the following after Item 1.7:

**“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.”;

(13) in Item 1.8:

(a) by replacing, in the French text, the words “prix d’émission” with the word “prix” and the words “contre espèces” with the words “en numéraire”;

(b) by replacing, in the English text, the word “bold” with the word “boldface”;

(14) by replacing, in Item 1.9, paragraph (3) with the following:

“(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.”;

(15) in Item 1.10:

(a) in paragraph (2)

(i) by replacing, in the French text, the words “page frontispice” with the words “page de titre”;

(ii) by replacing, in the English text, the word “cover” with the word “front”;

(b) by replacing paragraphs (3) and (4) of the French text with the following:

“3) Si un preneur ferme s’est engagé à souscrire ou à acquérir la totalité des titres faisant l’objet du placement à un prix déterminé et que ses obligations comportent des conditions, inscrire la mention suivante, en donnant l’information entre crochets:

«Le contrepartiste offre conditionnellement, sous réserve de prévente, les titres décrits dans le présent prospectus, sous les réserves d’usage concernant leur souscription, leur émission par [dénomination de l’émetteur] et leur acceptation conformément aux conditions de la convention de prise ferme visée à la rubrique Mode de placement. ».

“4) Si un preneur ferme s’est engagé à souscrire ou à acquérir un nombre ou un montant en capital déterminé de titres à un prix déterminé, indiquer qu’il doit en prendre livraison, le cas échéant, dans les 42 jours à compter de la date du visa du prospectus simplifié.”;

(c) by replacing, in the English text of paragraph (5), the word “bold” with the word “boldface”;

(d) by replacing paragraph (6) and the instruction with the following:

“(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.”;*

(16) by replacing Items 1.11 and 1.12 with the following:

### “1.11. International Issuers

If the issuer, a selling securityholder, or any person required to provide a certificate under Part 5 of Regulation 41-101 respecting General Prospectus Requirements or other securities legislation, 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 short form prospectus, with the bracketed information completed:

“The [issuer, selling securityholder, person signing a certificate under Part 5 of Regulation 41-101 respecting General Prospectus Requirements or securities legislation] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. Although [the person described above] has appointed [name(s) and addresses of agent(s) for service] as its agent(s) for service of process in [list jurisdictions] it may not be possible for investors to enforce judgments obtained in Canada against [the person described above].”;

### “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.”;

(17) by replacing, in the English text of Item 1.13, the word “bold” with the word “boldface”;

(18) by replacing Item 4 with the following:

**“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 subscription, provide disclosure of the use of proceeds for the minimum and maximum subscriptions.

**“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 item 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 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 short form prospectus-exempt basis, describe the principal purposes for which the proceeds of the short form 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.”;

(19) by replacing Item 5.1 with the following:

#### “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 [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.”;

(20) by replacing Items 5.4 to 5.6 with the following:

#### “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 listed under item 13.1 of Form 51102F2 of Regulation 51-102 respecting Continuous Disclosure Obligations were or are to be an underwriter or are associates, affiliates or partners of a person 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 Regulation, 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.”;

(21) by adding the following after Item 5.9:

### “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.”;

(22) in Item 6.1:

(a) by replacing paragraph (1) with the following:

“(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 interim financial statements of the issuer have been included in the short form prospectus.”;

(b) by adding, in subparagraph (2)(c), “, since the date of the annual or interim financial statements,” after “in accordance with the issuer’s GAAP”;

(c) by adding, in paragraph (4), the words “short form” before the word “prospectus”;

(d) by replacing paragraph (5) with the following:

“(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.”;

(e) by replacing, in the French text of Instruction (4), the words “tous les titres de créance” with the words “de toute dette”;

(f) by adding, in Instructions (6) and (7), the words “, with the bracketed and bulleted information completed” after the words “disclosure of earnings coverage shall include language similar to the following”;

(g) by deleting Instruction (8);

(23) by adding, in the French text of Item 7.1, the words “dissolution ou” after the words “en cas de”;

(24) by replacing Item 7.3 with the following:

### “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 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) income 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 agree-

ment 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 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 referred to in subsection (5).

(7) Describe the terms of any material relationships between

(a) any of the persons 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 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 referred to in subsection (5) and the contractual arrangements underlying the asset-backed securities is encouraged.”;*

(25) by replacing paragraph (c) of Item 7.4 with the following:

“(c) settlements that are the result of the exercise of the derivatives;”;

(26) by replacing Item 7.6 with the following:

#### “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, disclose that holders of such secu-

rities have been provided with a contractual right of rescission and provide the following disclosure in the short form 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 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.”;

(27) by replacing Item 7.7 with the following:

#### “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 Regulation 41-101 respecting General Prospectus Requirements.

(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.”;

(28) by replacing, in the English text of Item 7.8, the words “as to” with the words “about the” before “modification, amendment or variation”;

(29) by replacing Item 7.9 with the following:

**“7.9. Ratings**

“If the issuer has asked for and received a stability rating, or if the issuer is aware that it has received any other kind of rating, including a provisional rating, from one or more approved rating organizations for the securities being distributed and the rating or ratings continue in effect, disclose

(a) each security rating, including a provisional rating or stability rating, received from an approved rating organization,

(b) the name of each approved rating organization that has assigned a rating for the securities to be distributed,

(c) a definition or description of the category in which each approved rating organization rated the securities to be distributed 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 to be distributed are not addressed by the rating,

(e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities to be distributed,

(f) a statement that a security 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 rating organization, and

(g) any announcement made by, or any proposed announcement known to the issuer to be made by, an approved 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 item.

**INSTRUCTION**

*There may be factors relating to a security that are not addressed by a ratings agency when they give a rating. For example, in the case of cash settled derivatives, 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 an approved rating organization by way of a superscript or other notation to a rating. Any such attributes must be discussed in the disclosure under this item.”;*

(30) by adding, in the Instruction of Item 7.10, the words “short form” before the word “prospectus”;

(31) by adding the following after the Instruction of Item 7.10:

**“Item 7A Prior Sales**

**“7A.1. Prior Sales**

For each class of securities of the issuer distributed under the short form prospectus and for securities that are convertible into those classes 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 selling securityholder;
- (b) the number of securities issued at that price; and
- (c) the date on which the securities were issued.

#### **“7A.2. Trading Price and Volume**

(1) For each class of securities of the issuer 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 issuer 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 short form prospectus.”;

(32) by replacing Item 8 with the following:

#### **“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 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 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 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.”;*

(33) by replacing Item 10 with the following:

#### **“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 pro-

posed 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 Regulation 51-102 respecting Continuous Disclosure Obligations; and

(c) for which the issuer has not yet filed a business acquisition report under Regulation 51-102 respecting Continuous Disclosure Obligations.

(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 Regulation 51-102 respecting Continuous Disclosure Obligations 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 Regulation 51-102 respecting Continuous Disclosure Obligations, or

(b) satisfactory alternative financial statements or other information.

#### **INSTRUCTION**

*For the description of the acquisition or proposed acquisition, include the information required by items 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 Regulation, 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 Regulation, 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.”;

(34) in paragraph (1) of Item 11.1:

(a) by adding, in subparagraph 4, the words “short form” before the words “prospectus” and the word “historical” before the words “financial information”;

(b) by replacing, in subparagraph 6, the words “most recent audited financial statements” with the words “current annual financial statements”;

(c) by replacing subparagraphs 7 to 9 with the following:

“7. Any information circular filed by the issuer under Part 9 of Regulation 51-102 respecting Continuous Disclosure Obligations or Part 12 of Regulation 81-106 respecting Investment Fund Continuous Disclosure 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 Forms 51-101F1 to 51-101F3 of Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities, filed by an SEC issuer, unless:

(a) the issuer’s current AIF is in the form of Form 51102F2 of Regulation 51-102 respecting Continuous Disclosure Obligations; or

(b) the issuer is otherwise exempted from the requirements of Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities.

“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.”;

(35) in Item 11.3:

(a) by replacing paragraph (1) with the following:

“(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 Regulation, 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.”;

(b) by replacing, in the Instruction, the word “reorganization” with the words “restructuring transaction” and the word “issuer” with the word “entity” after the words “financial statements of any”;

(36) in Item 12.1:

(a) by adding, in paragraph 1, the words “in at least one jurisdiction” after the words “reporting issuer”;

(b) by adding, in paragraph 2, the words “in any jurisdiction” after the words “reporting issuer”;

(c) by deleting, in paragraph 4, the words “, and in Québec, disclosure of all material facts likely to affect the value or the market price, of”;

(37) by replacing Item 13 with the following:

### **“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, revenues 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 items 13.2 and 13.3 and an issuer for the purpose of item 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) sales or revenues;
- (ii) income from continuing operations;
- (iii) net earnings or loss; and

(iv) unless the issuer’s GAAP permits the preparation of the credit support issuer’s balance sheet 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.

(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 item 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 Regulation;

(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 interim and annual consolidated financial statements included in the short form prospectus under item 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 item 6.1, or include in the short form prospectus the disclosure of one or more subsidiary credit supporters required by item 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 Regulation;

(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 item 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 item 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.”;

(38) by replacing Item 14.1 and the Instruction of this Item with the following:

**“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 Regulation 33105 respecting Underwriting Conflicts.

(2) For the purposes of subsection (1), “connected issuer” and “related issuer” have the same meaning as in Regulation 33-105 respecting Underwriting Conflicts.”;

(39) by replacing Item 15.1 with the following:

**“15.1 Names of Experts**

Name each person

(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.”;

(40) by replacing the heading of Item 16 and Item 16.1 with the following:

**“Item 16 Promoters**

**“16.1. Promoters**

(1) For a person 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'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,

(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 making the determination referred to in subparagraph (i) and the person'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.

(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 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 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 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 item, 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. 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.”;*

(41) by replacing the heading of Item 17 and Item 17.1 with the following:

#### “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.*”;

(42) by deleting, in Item 18.1, the words “, and in Québec not to make any misrepresentation likely to affect the value or market price of,”;

(43) by replacing Item 20.1 with the following:

**“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 of 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.”;

(44) by replacing, in the French text of Item 20.2, the words “à prix non déterminé” with the words “à prix ouvert”;

(45) by replacing Item 21 with the following:

**“Item 21 Certificates**

**“21.1. Certificates**

Include the certificates required by Part 5 of Regulation 41-101 respecting General Prospectus Requirements 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.”.

**17.** The Regulation is amended by replacing, wherever they appear, the words “person or company” and “persons or companies” with, respectively, the words “person” and “persons”.

**18.** The Regulation is amended by replacing, wherever they appear in the French text, the words “page frontispice” with “page de titre”.

**19.** This Regulation comes into force on March 17, 2008.



## Regulation to amend Regulation 44-102 respecting Shelf Distributions<sup>5</sup>

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (6), (8), (9), (11) and (34); 2007, c. 15)

**1.** Section 1.1 of Regulation 44-102 respecting Shelf Distributions is amended:

(1) in paragraph (1):

(a) by replacing the words “National Instrument 81-102 Mutual Funds” in the definition of “clearing corporation” with the words “Regulation 81-102 Mutual Funds adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0209 dated May 22, 2001”;

(b) by deleting, in the definition of “stabilization provisions”, the words “or companies” and “or company”;

(c) by replacing the definition of “novel” with the following:

“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;”;

(d) by replacing, in the French text of the definition of “placement au cours du marché”, the words “à un prix non déterminé” with the words “à prix ouvert”;

(e) by adding, in the English text of the definition of “method 1” and after the words “forward-looking”, the words “forms of”;

(f) by adding, in the English text of the definition of “method 2” and after the words “non-forward looking”, the words “forms of”;

(2) by replacing paragraph (2) with the following:

“(2) Every term that is defined or interpreted in Regulation 41-101 respecting General Prospectus Requirements approved by Ministerial Order no. (*indicate the number and date of the ministerial order approving the regulation*) or in Regulation 44101 respecting Short Form

<sup>5</sup> Regulation 44-102 respecting Shelf Distributions, adopted on May 22, 2001 by decision no. 2001-C-0201 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, volume 32, no. 22 dated June 1, 2001 was last amended by the regulation approved by Ministerial Order No. 2005-25 dated November 30, 2005 (2005, *G.O.* 2, 5221). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2007, updated to September 1, 2007.

Prospectus Distributions, the definition or interpretation of which is not restricted to a specific portion of these Regulations has, if used in this Regulation, the respective meaning ascribed to it in the aforementioned Regulations, unless defined or interpreted in this Regulation.”.

**2.** Section 1.2 of the French text of the Regulation is replaced with the following:

**“1.2 Modifications**

Dans le présent règlement, toute mention d’une modification apportée à un prospectus, à l’exception de celles de l’annexe A et de l’annexe B, désigne tant une simple modification, sans reprise du texte du prospectus, qu’une version modifiée du prospectus.”.

**3.** Sections 2.2 to 2.6 of the Regulation are amended by replacing, in paragraph (3), subparagraph (c) with the following:

“(c) in Ontario, the lapse date prescribed by the securities legislation.”.

**4.** Section 2.8 of the Regulation is repealed.

**5.** Section 4.1 of the Regulation is amended:

(1) by replacing, wherever they appear in the English text, the words “security holder” with the word “securityholder”;

(2) in subparagraph (ii) of subparagraph (b) of paragraph (2), by replacing the numeral “21” with the words “10 business”.

**6.** Section 5.5 of the Regulation is amended:

(1) in the French text of paragraphs (1) and (2), by replacing the words “page frontispice” with the words “page de titre”;

(2) in the English text of paragraph (7), by replacing the words “security holder” with the word “securityholder”;

(3) by replacing paragraph (8) with the following:

“8. The prospectus certificates required by Part 5 of Regulation 41-101 respecting General Prospectus Requirements 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.”.

**7.** Section 5.8 of the Regulation is replaced with the following:

**“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 Regulation 41-101 respecting General Prospectus Requirements 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.”.

**8.** Section 6.1 of the Regulation is replaced with the following:

**“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.”.

**9.** Section 6.2 of the Regulation is amended:

(1) by replacing, in paragraph (3), the words “Any unaudited financial statements of an issuer or an acquired business” with the words “Subject to subsection (4), any unaudited financial statements, other than pro forma financial statements,” and, in the English text, the words “an entity’s” with the words “a person’s”;

(2) by replacing paragraph (4) with the following:

“(4) If Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency, approved by Ministerial Order no. 2005-08 dated May 19, 2005, permits the financial statements of the person in subsection (3) to be audited in accordance with

(a) U.S. GAAS, the unaudited financial statements may be reviewed in accordance with U.S. review standards,

(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.”;

(3) in paragraph (5), by replacing the words “in paragraph (3)” with “in subsection (3), if applicable.”.

**10.** Paragraph (1) of section 6.3 of the Regulation is amended:

(1) by replacing, in the French text of subparagraphs (1) and (2), the words “page frontispice” with the words “page de titre”;

(2) in subparagraph (3):

(a) in the introductory sentence, by adding “required by Part 5 of Regulation 41101 respecting General Prospectus Requirements and other securities legislation, in the issuer certificate form or underwriter certificate form” after “The prospectus certificates”;

(b) by replacing, in the English text of subparagraph (b), the word “certificates” with the words “certificate forms”.

**11.** Section 6.7 of the Regulation is replaced with the following:

**“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 Regulation 41-101 respecting General Prospectus Requirements or other securities legislation, if the person 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.”.

**12.** Paragraph (1) of section 7.2 of the Regulation is replaced with the following:

“(1) If any notary in Québec, solicitor, auditor, accountant, engineer or appraiser, or any other person whose profession or business gives authority to a statement made by that person, 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 to being named and to the use of that report, valuation, statement or opinion in accordance with subsection (2).”.

**13.** Section 9.1 of the Regulation is amended, in paragraph (1), by replacing the word “percent” with the symbol “%” and, in paragraphs (2) and (3), by deleting the words “or company”.

**14.** Section 9.2 of the Regulation is replaced with the following:

“(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 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.”.

**15.** Section 11.1 of the Regulation is amended by adding the following after paragraph (2):

“(2.1) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of Regulation 14-101 respecting Definitions adopted by the decision no. 2001-C-0274 dated June 12, 2001, opposite the name of the local jurisdiction.”.

**16.** Paragraph (2) of section 11.2 is replaced with the following:

“(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 that sought the exemption sent to the regulator or, in Québec, the securities regulatory authority

(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 or, in Québec, the securities regulatory authority that the exemption may be evidenced in the manner set out in subsection (1), and

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

**17.** Appendix A to the Regulation is amended:

(1) by replacing, in the English text of the title and subtitle, the words “**SHELF PROSPECTUS CERTIFICATES**” and “**CERTIFICATES**” with, respectively, the words “**FORM OF SHELF PROSPECTUS CERTIFICATES**” and “**FORM OF CERTIFICATES**”;

(2) by replacing sections 1.1 and 1.2 with the following:

#### **“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].”.”;

(3) by repealing section 1.3;

(4) by replacing section 1.4 with the following:

#### “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.”;

(5) by replacing sections 2.1 and 2.2 with the following:

#### “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].”.”;

(6) by repealing section 2.3;

(7) by replacing section 2.4 with the following:

#### “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.”.

### 18. Appendix B to the Regulation is amended:

(1) by replacing, in the English text of the title and subtitle, the words “**SHELF PROSPECTUS CERTIFICATES**” and “**CERTIFICATES**” with, respectively, the words “**FORM OF SHELF PROSPECTUS CERTIFICATES**” and “**FORM OF CERTIFICATES**”;

(2) by replacing sections 1.1 and 1.2 with the following:

#### “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].”.

(3) by repealing section 1.3;

(4) by replacing section 1.4 with the following:

### “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.”.

(5) by replacing sections 2.1 and 2.2 with the following:

### “2.1 Issuer Certificate Form

If method 2 is elected by an issuer, an issuer 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].”.

### “2.2 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].”.

(6) by repealing section 2.3;

(7) by replacing section 2.4 with the following:

### “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.”.

**19.** The Regulation is amended by replacing, wherever they appear in the English text, the words “security holder” with the word “securityholder”.

**20.** This Regulation comes into force on March 17, 2008.



## Regulation to amend Regulation 44-103 respecting Post-Receipt Pricing<sup>6</sup>

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (6), (8), (11)  
and (34); 2007, c. 15)

**1.** Paragraph (2) of section 1.1 of Regulation 44-103 respecting Post-Receipt Pricing is replaced by the following:

“(2) Every term that is defined or interpreted in Regulation 41-101 respecting General Prospectus Requirements approved by Ministerial Order no. (*indicate the number and date of the ministerial order approving the regulation*) or in Regulation 44-101 respecting Short Form Prospectus Distributions approved by Ministerial Order no. 2005-24 dated November 30, 2005, the definition or interpretation of which is not restricted to a specific portion of these Regulations has, if used in this Regulation, the meaning ascribed to it in the aforementioned Regulations, unless defined or interpreted in this Regulation.”.

**2.** Section 1.2 of the Regulation is amended by replacing the French text with the following:

### “1.2. Modifications

Dans le présent règlement, toute mention d’une modification apportée à un prospectus désigne tant une simple modification, sans reprise du texte du prospectus, qu’une version modifiée du prospectus.”.

**3.** Paragraph (1) of section 3.2 of the Regulation is amended:

(1) by replacing, in subparagraph (1) of the French text, the words “page frontispice” with the words “page de titre”;

(2) by replacing subparagraph (7) with the following:

“7. The prospectus certificates required by Part 5 of Regulation 41-101 respecting General Prospectus Requirements 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].”;

(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].”;

(3) by deleting subparagraphs 8 and 9.

**4.** Paragraph 8 of section 3.3 of the Regulation is replaced with the following:

“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 of Regulation 44-101 respecting Short Form Prospectus Distributions or Item 25 of Form 41-101F1 of Regulation 41-101 respecting General Prospectus Requirements.”.

**5.** Section 3.6 of the Regulation is replaced with the following:

### “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

<sup>6</sup> Regulation 44-103 respecting Post-Receipt Pricing, adopted on May 22, 2001 by decision no. 2001C0203 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, volume 32, no. 22 dated June 1, 2001 was last amended by the regulation approved by Ministerial Order No. 2005-25 dated November 30, 2005 (2005, G.O. 2, 5221). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2007, updated to September 1, 2007.

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”.”.

**6.** Section 4.1 of the Regulation is amended:

(1) by replacing, in the English text, the words “security holder” with the word “securityholder”;

(2) by deleting the words “and, in Québec, to contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed”.

**7.** Section 4.4 of the Regulation is amended:

(1) by replacing, in paragraph (1) of the English text and wherever it appears, the word “percent” with the symbol “%”;

(2) in paragraph (2):

(a) by replacing, in the English text and wherever it appears, the word “percent” with the symbol “%”;

(b) by inserting the words “Part 6 of Regulation 41-101 respecting General Prospectus Requirements or other” before “securities legislation that require the filing”;

(3) in paragraph (3):

(a) by inserting the words “Part 6 of Regulation 41-101 respecting General Prospectus Requirements or other” before “securities legislation that require the filing”;

(b) by replacing, wherever it appears, the word “certificates” with the words “issuer certificate form and underwriter certificate form”.

**8.** Section 4.5 of the Regulation is amended:

(1) by renumbering paragraphs (a) and (b) of the French text as paragraphs 1 and 2, respectively;

(2) in paragraph (b):

(a) by replacing subparagraph 3 with the following:

“3. The prospectus certificates required by Part 5 of Regulation 41-101 respecting General Prospectus Requirements 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].”;;

(b) by deleting subparagraphs 4 and 5.

**9.** Section 4.7 of the Regulation is replaced with the following:

**“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”.”.

**10.** Section 4.10 of the Regulation is amended by replacing, wherever they appear, the words “securities legislation” with “Part 9 of Regulation 41-101 respecting General Prospectus Requirements” and deleting the words “or delivered to the regulator”, “or delivered, as the case may be,” and “or redelivered, as the case may be,”.

**11.** Section 6.1 of the Regulation is amended by adding the following after paragraph (2):

“(2.1) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of Regulation 14-101 respecting Definitions adopted by decision no. 2001-C-0274 dated June 12, 2001, opposite the name of the local jurisdiction.”.



**12.** Section 6.2 is amended by replacing paragraph (2) with the following:

“(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 that sought the exemption sent to the regulator or, in Québec, the securities regulatory authority

(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 or, in Québec, the securities regulatory authority that the exemption may be evidenced in the manner set out in subsection (1), and

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

**13.** The Regulation is amended by replacing, in the English text and wherever they appear, the words “security holder” with the word “securityholder”.

**14.** This Regulation comes into force on March 17, 2008.

## Regulation to amend Regulation 45-101 respecting Rights Offering<sup>7</sup>

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (8) and (14);  
2007, c. 15)

**1.** Section 10.1 of Regulation 45-101 respecting Rights Offering is amended by replacing the French text of the introductory sentence of paragraph 2 with the following:

<sup>7</sup> Regulation 45-101 respecting Rights Offering, adopted on June 12, 2001 by decision no. 2001-C-0247 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, volume 32, no. 25 dated June 22, 2001 was last amended by the regulation approved by Ministerial Order No. 2007-09 dated December 14, 2007 (2007, G.O. 2, 4077). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2007, updated to September 1, 2007.

“(2) L’émetteur qui se prévaut de la dispense prévue au paragraphe 1 en avise par écrit l’autorité responsable et lui envoie l’attestation d’un de ses dirigeants ou de ses administrateurs, ou, si l’émetteur est une société en commandite, d’un dirigeant ou d’un administrateur de son commandité, ou, si l’émetteur est une fiducie, d’un fiduciaire, d’un dirigeant ou d’un administrateur d’un de ses fiduciaires, indiquant qu’à la connaissance du signataire de l’attestation, après enquête raisonnable:”

**2.** Form 45-101F of the Regulation is amended:

(1) in the instructions to Item 2, by replacing, wherever they appear in the French text, the words “page frontispice” with “page de titre”;

(2) by replacing Item 3.1 with the following:

“**3.1** If the Issuer 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 rights offering circular, with the bracketed information completed:

“[The issuer] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. Although [the issuer has appointed [name(s) and address(es) of agent(s) for service] as its agent(s) for service of process in [list jurisdictions] it may not be possible for investors to enforce judgements obtained in Canada against [the issuer].”;

(3) by deleting Item 3.2;

(4) by replacing Item 11.2 with the following:

### “11.2 Underwriting Conflicts

Comply with the requirements of Regulation 33-105 respecting Underwriting Conflicts approved by Ministerial Order No 2005-14 dated August 2, 2005.

#### INSTRUCTION:

*Disclose any information concerning conflicts of interest, including, without limitation, underwriting conflicts, as required by securities legislation.”;*

(5) by replacing Item 13.1 with the following:

### “13.1 Ownership of Securities of Issuer

Provide the following information for each person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of voting securities of the issuer as of a specified date not more than 30 days before the date of the rights offering circular:

(a) the name;

(b) for each class or series of voting securities of the issuer, the number or amount of securities owned, controlled or directed, directly or indirectly; and

(c) the percentage of each class or series of voting securities known by the issuer to be owned, controlled or directed, directly or indirectly.”

**3.** The Regulation is amended by replacing, wherever they appear, the words “person or company” with “person”.

**4.** This Regulation comes into force on March 17, 2008.

## Regulation to amend Regulation 51-102 respecting Continuous Disclosure Obligations<sup>8</sup>

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (8) and (34);  
2007, c. 15)

**1.** Section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations is amended:

(1) in paragraph (1):

(a) by adding the following definition after the definition of “material change”:

““material contract” means any contract that an issuer or any of its subsidiaries is a party to, that is material to the issuer;”;

(b) in the definition of “informed person”:

(i) by replacing paragraph (c) of the definition of “informed person” with the following:

“(c) any person who beneficially owns, or controls or directs, directly or indirectly, voting securities of a reporting issuer or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person as underwriter in the course of a distribution; and”;

(ii) by deleting, in the English text and wherever they appear, the words “or company”;

(c) by replacing the definition of “restricted security” with the following:

““restricted security” means an equity security of a reporting issuer, if any of the following apply:

(a) there is another class of securities of the reporting issuer that, to a reasonable person, appears to carry 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 reporting issuer, or the reporting issuer’s constituting documents have provisions that nullify or, to a reasonable person, appear to significantly restrict the voting rights of the equity securities; or

(c) the reporting issuer has issued another class of equity securities that, to a reasonable person, appears to entitle the owners of securities of that other class to participate in the earnings or assets of the reporting issuer to a greater extent, on a per security basis, than the owners of the first class of equity securities;”;

(d) by deleting, wherever they appear in the English text of the definitions of “board of directors”, of “inter-dealer bond broker”, of “marketplace”, of “principal obligor”, of “proxy”, of “recognized exchange”, of “restricted voting security”, of “restructuring transaction” and of “solicit”, the words “or company” and the words “or companies”;

(2) by replacing, in paragraph (3), subparagraph (a) of with the following:

“(a) the first person beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation.”.

<sup>8</sup> Regulation 51-102 respecting Continuous Disclosure Obligations, approved by Ministerial Order No. 2005-03 dated May 19, 2005 (2005, G.O. 2, 1507), was last amended by the regulation approved by Ministerial Order No. 2007-08 dated December 14, 2007 (2007, G.O. 2, 4091). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2007, updated to September 1, 2007.

**2.** Section 8.4 of the Regulation is amended by replacing, wherever they appear in subparagraph (b) of paragraph (5), the words “after the ending date” with the words “since the beginning”.

**3.** Section 8.10 of the Regulation is amended by replacing, in subparagraph (ii) of subparagraph (c) of paragraph (3), the words “after the ending date” with the words “since the beginning”.

**4.** Section 10.1 of the Regulation is amended:

(1) in paragraph (1):

(a) by adding, in the French text of subparagraph (b) and after “« privilégiée »”, the word “, « préférentielle »”;

(b) by replacing, in the French text of subparagraphs (c) and (e), the word “afférents” with the word “rattachés”;

(2) by adding, in the French text of paragraph (5) and after “« privilégiée »”, the word “, « préférentielle »”.

**5.** Section 12.2 of the Regulation is replaced by the following:

#### “12.2 Filing of Material Contracts

(1) Unless previously filed, a reporting issuer must file a material contract entered into

(a) within the last financial year; or

(b) before the last financial year if that material contract is still in effect.

(2) Despite subsection (1), a reporting 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, or promoters are parties other than a contract of employment;

(b) a continuing contract to sell the majority of the reporting issuer’s products or services or to purchase the majority of the reporting 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 reporting 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 reporting issuer reasonably believes that disclosure of that provision would be seriously prejudicial to the interests of the reporting 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 reporting issuer.

(5) If a provision is omitted or marked to be unreadable under subsection (3), the reporting 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 reporting issuer.

(6) Despite subsections (1) and (2), a reporting issuer is not required to file a material contract entered into before January 1, 2002.”.

**6.** Section 13.3 of the Regulation is amended:

(1) by deleting, in paragraph (1), in the English text of the definitions of “exchangeable security issuer” and of “parent issuer”, the words “or company”;

(2) by replacing, in the French text of subparagraph (iii) of subparagraph (h) of paragraph (2), the word “afférents” with the words “rattachés”.

**7.** Section 13.4 of the Regulation is amended:

(1) in paragraph (1):

(a) by adding the following definition after the definition of “designated credit support securities”:

““subsidiary credit supporter” means a credit supporter that is a subsidiary of the parent credit supporter;”;

(b) by adding the following definition after the definition of “designated credit support securities”:

““parent credit supporter” means a credit supporter of which the reporting issuer is a subsidiary;”;

(c) in the definition of “designated credit support securities”:

(i) by replacing the words “in respect of which a credit supporter has provided” with the words “in respect of which a parent credit supporter has provided”;

(ii) by adding, in paragraph (a), the words “non-convertible” before the words “securities of the credit supporter”;

(d) by deleting, in the definitions of “alternative credit support”, of “credit supporter” and of “summary financial information” of the English text, the words “or company”;

(2) in paragraph (1.1):

(a) by adding, wherever it occurs, the word “parent” before the words “credit supporter”;

(b) by deleting, in subparagraph (b), the words “of consolidating summary financial information”;

(c) by replacing subparagraph (c) with the following:

“(c) all subsidiary entity columns must account for investments in non-credit supporter subsidiaries under the equity method.”;

(3) in paragraph (2):

(a) by replacing the words “Except as provided in subsection (4)” with the words “Except as provided in this section”;

(b) by adding, wherever they occur, the word “parent” before the words “credit supporter”;

(c) by adding, after subparagraph (j), the following:

“(k) no person other than the parent credit supporter has provided a guarantee or alternative credit support for the payments to be made under any issued and outstanding securities of the credit support issuer.

“(2.1) A credit support issuer satisfies the requirements of this Regulation where there is a parent credit supporter and one or more subsidiary credit supporters if

(a) the conditions in paragraphs (2)(a) to (f), (i), and (j) are complied with;

(b) 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 filed or referred to under paragraph (2)(d);

(c) the credit support issuer files, in electronic format, in the notice referred to in clause (2)(d)(ii)(A) or in or with the copy of the interim and annual consolidated financial statements filed under subparagraph (2)(d)(i) or clause (2)(d)(ii)(B), for a period covered by any interim or annual consolidated financial statements of the parent credit supporter filed by the parent credit supporter, 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 credit support 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; and

(vi) the total consolidated amounts;

(d) no person, other than the parent credit supporter or a subsidiary credit supporter has provided a guarantee or alternative credit support for the payments to be made under the issued and outstanding designated credit support securities; and

(e) the guarantees or alternative credit supports are joint and several.

“(2.2) Despite paragraph (2.1)(c), the information set out in a column in accordance with

(a) subparagraph (2.1)(c)(iv), may be combined with the information set out in accordance with any of the other columns in paragraph (2.1)(c); if each item of the summary financial information set out in a column in

accordance with subparagraph (2.1)(c)(iv) represents less than 3% of the corresponding items on the consolidated financial statements of the parent credit supporter being filed or referred to under paragraph (2)(d),

(b) subparagraph (2.1)(c)(ii) may be combined with the information set out in accordance with any of the other columns in paragraph (2.1)(c); if the credit support issuer has minimal assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the securities described in paragraph (2)(c).”;

(4) by replacing, in paragraph (3), subparagraphs (a) through (e) with the following:

“(a) the conditions in paragraphs (2)(a) to (c) are complied with;

“(b) if the insider is not a credit supporter,

(i) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning a credit supporter before the material facts or material changes are generally disclosed, and

(ii) the insider is not an insider of a credit supporter in any capacity other than by virtue of being an insider of the credit support issuer; and

“(c) if the insider is a credit supporter, the insider does not beneficially own any designated credit support securities;”;

(5) by adding, in paragraph (4), the word “parent” before the words “credit supporter”.

**8.** Form 51-102F1 of the Regulation is amended, in the French text, in instruction (A) of Item 1.9, by replacing the word “*apparentés*” with the words “*personnes apparentées*”.

**9.** Form 51-102F2 of the Regulation is amended:

(1) by replacing Item 3.2 with the following:

**“3.2 Intercorporate Relationships**

Describe, by way of a diagram or otherwise, the intercorporate relationships among your company and its subsidiaries. For each subsidiary state:

(a) the percentage of votes attaching to all voting securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by your company;

(b) the percentage of each class of restricted securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by your company; and

(c) where it was incorporated, continued, formed or organized.”;

(2) by deleting, in Item 5.2, the following: “Risks should be disclosed in the order of their seriousness”;

(3) by adding, after Item 5.2, the following:

**INSTRUCTIONS**

(i) *Disclose the risks in order of seriousness from the most serious to the least serious.*

(ii) *A risk factor should not be de-emphasized by including excessive caveats or conditions.*

(4) in paragraph (2) of Item 5.3:

(a) by replacing, in the introductory sentence, the words “information on the” with the words “financial disclosure that described the underlying” before the words “pool of financial assets”;

(b) by replacing, in subparagraph (e) of the English text, “(a), (b), (c) or (d)” with “(a) through (d)”;

(5) by adding, after paragraph (2), the following:

“(2.1) If any of the financial disclosure disclosed in accordance with subsection (2) has been audited, disclose the existence and results of the audit.”;

(6) by replacing Item 6 with the following:

**“Item 6 Dividends or Distributions**

**“6.1 Dividends or Distributions**

(1) Disclose the amount of cash dividends or distributions declared per security for each class of your company’s securities for each of the three most recently completed financial years.

(2) Describe any restriction that could prevent your company from paying dividends or distributions.

(3) Disclose your company’s current dividend policy and any intended change in dividend policy.”;

(7) in Item 7.3:

(a) by replacing, in the introductory sentence, the words “if you receive” with the words “if you are aware that you have received” before the words “any other kind of ratings”;

(b) by replacing paragraph (g) with the following:

“(g) any announcement made by, or any proposed announcement known to the issuer that is to be made by, an approved 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.”;

(8) by adding, in paragraph (2) of Item 8.1, the words “but is traded or quoted on a foreign marketplace,” after the words “If a class of securities of your company is not traded or quoted on a Canadian marketplace.”;

(9) by replacing Item 8.2 with the following:

### **8.2 Prior Sales**

For each class of securities of your company that is outstanding but not listed or quoted on a marketplace, state the price at which securities of the class have been issued during the most recently completed financial year by your company, the number of securities of the class issued at that price, and the date on which the securities were issued.

(10) by replacing Item 9 with the following:

## **“Item 9 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer**

### **“9.1 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer**

(1) State, in substantially the following tabular form, the number of securities of each class of your company held, to your company’s knowledge, 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 for your company’s most recently completed financial year.

### **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
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(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.

#### **INSTRUCTIONS**

(i) *For the purposes of this item, escrow includes securities subject to a pooling agreement.”;*

(ii) *For the purposes of this item, securities subject to contractual restrictions on transfer as a result of pledges made to lenders are not required to be disclosed.”;*

(11) by replacing the French text of the title of Item 10 with the following:

### **“Rubrique 10 Administrateurs et dirigeants”;**

(12) in Item 10.1:

(a) by replacing paragraph (3) with the following:

“(3) State the number and percentage of securities of each class of voting securities of your company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by all directors and executive officers of your company as a group.”;

(b) by deleting, in the English text of paragraph (5), the words “or company”;

(c) by replacing the instruction with the following:

#### **“INSTRUCTIONS**

*For the purposes of subsection (3), securities of subsidiaries of your company that are beneficially owned, or controlled or directed, directly or indirectly, by directors or executive officers through ownership, or control or direction, directly or indirectly, over securities of your company, do not need to be included.”;*



(13) by replacing, in the English text of Item 10.3, the words «or officer of your company or a subsidiary of your company» with the words «or officer of your company or of a subsidiary of your company»;

(14) in Item 11.1:

(a) by replacing the word “three” with the word “two”;

(b) by replacing paragraph (b) with the following:

“(b) the number and percentage of each class of voting securities and equity securities of your company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly.”;

(c) by deleting, in subparagraph (ii) of subparagraph (d) of the French text, the words “ou la société”;

(d) by deleting, wherever they appear in the English text, the words “or company”;

(15) by replacing Item 12.1 with the following:

#### “12.1 Legal Proceedings

(1) Describe any legal proceedings your company is or was a party to, or that any of its property is or was the subject of, during your company’s financial year.

(2) Describe any such legal proceedings your company 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.

#### INSTRUCTIONS

*You do not need to give information with respect to any proceeding that involves a claim for damages if the amount involved, exclusive of interest and costs, does not exceed ten per cent of the current assets of your company. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, you must include the amount involved in the other proceedings in computing the percentage.”;*

(16) by replacing, in paragraph (c) of Item 12.2, the word “with” with the word “before”, before “a court”;

(17) in Item 13.1:

(a) by replacing, in the introductory sentence, the word “will” with the words “is reasonably expected to”, before the words “materially affect your company.”;

(b) by replacing paragraph (b) with the following:

“(b) a person that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of your outstanding voting securities; and”;

(c) by deleting, wherever they appear in the English text, the words “or company” and “or companies”;

(18) by replacing Item 15.1 with the following:

#### “15.1 Material Contracts

Give particulars of any material contract

(a) required to be filed under section 12.2 of the Regulation at the time this AIF is filed, as required under section 12.3 of the Regulation, or

(b) would be required to be filed under section 12.2 of the Regulation at the time this AIF is filed, as required under section 12.3 of the Regulation, but for the fact that it was previously filed.

#### INSTRUCTIONS

*(i) You must give particulars of any material contract that was entered into within the last financial year or before the last financial year but is still in effect, and that is required to be filed under section 12.2 of the Regulation or would be required to be filed under section 12.2 of the Regulation but for the fact that it was previously filed. You do not need to give particulars of a material contract that was entered into before January 1, 2002 because these material contracts are not required to be filed under section 12.2 of the Regulation.*

*(ii) Set out a complete list of all contracts for which particulars must be given under this item, indicating those that are disclosed elsewhere in the AIF. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the AIF.*

*(iii) Particulars of contracts must include the dates of, parties to, consideration provided for in, and general nature and key terms of, the contracts.”;*

(19) in Item 16.1, by replacing the words “statement, report or valuation” with the words “report, valuation, statement or opinion”, wherever they appear;

(20) in Item 16.2:

(a) in paragraph (1):

(i) by replacing, in the French text of the introductory sentence, the words “droits de propriété véritable directe ou indirecte” with the words “droits de la nature de ceux du propriétaire, directs ou indirects.”;

(ii) by replacing, in subparagraph (a) of paragraph (1), the words “statement, report or valuation” with the words “report, valuation, statement or opinion”;

(b) by replacing, wherever they appear in paragraph (1.1), the words “statement, report or valuation” with the words “report, valuation, statement or opinion”;

(c) by replacing, in paragraph (3) of the French text, the words “société visée au paragraphe 1” with the words “personne visée au paragraphe 1”;

(d) by replacing, in paragraph (i) of the instruction, the words “*statement, report or valuation*” with the words “*report, valuation, statement or opinion*”;

(e) by replacing, in the French text of paragraph (iii) of the instruction, the words “droits de propriété véritable directe ou indirecte” with the words “droits de la nature de ceux du propriétaire, directs ou indirects.”;

(f) by deleting, wherever they appear in the English text, the words “or company” and “or company’s”;

(21) by replacing, in the French text of paragraph (2) of Item 17.1, the words “membres de la haute direction” with “dirigeants”.

**10.** Form 51-102F5 of the Regulation is amended:

(1) by replacing Item 6.5 with the following:

“**6.5** If, to the knowledge of the company’s directors or executive officers, any person beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10 per cent or more of the voting rights attached to any class of voting securities of the company, name each person and state

(a) the approximate number of securities beneficially owned, or controlled or directed, directly or indirectly, by each such person; and

(b) the percentage of the class of outstanding voting securities of the company represented by the number of voting securities so owned, controlled or directed, directly or indirectly.”;

(2) by replacing paragraphs (f) and (g) of Item 7.1 with the following:

“(f) State the number of securities of each class of voting securities of the company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by each proposed director.

“(g) If securities carrying 10 per cent or more of the voting rights attached to all voting securities of the company or of any of its subsidiaries are beneficially owned, or controlled or directed, directly or indirectly, by any proposed director and the proposed director’s associates or affiliates,

(i) state the number of securities of each class of voting securities beneficially owned, or controlled or directed, directly or indirectly, by the associates or affiliates; and

(ii) name each associate or affiliate whose security holdings are 10 per cent or more.”;

(3) in Item 11:

(a) by replacing, in the French text of instruction (iv), the words “rabais important accordé” with “décote importante accordée”;

(b) by deleting, in the English text of the instructions, the words “or company” and “or companies”.

**11.** The Regulation is amended by deleting, wherever they appear, the words “or company” and “or companies”.

**12.** The Regulation is amended by replacing, wherever they appear in the French text, the words “page frontispice” with the words “page de titre”.

**13.** The Regulation is amended by replacing, wherever they appear in the French text, the words “entente de règlement” with the words “règlement amiable”, with the necessary changes.

**14.** This Regulation comes into force on March 17, 2008.

## Regulation to amend Regulation 58-101 respecting Disclosure of Corporate Governance Practices<sup>9</sup>

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1), (2), (8) and (34); 2007, c. 15)

**1.** Section 1.2 of Regulation 58-101 respecting Disclosure of Corporate Governance Practices is amended by:

(1) replacing, in paragraph (1), the words “In a jurisdiction other than British Columbia, a director” with “For the purposes of this Regulation, a director”;

(2) deleting paragraph (2).

**2.** This Regulation comes into force on March 17, 2008.

## Regulation to amend Regulation 81-101 Mutual Fund Prospectus Disclosure<sup>10</sup>

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (5), (8), (14), (19) and (34); 2007, c. 15)

**1.** The English text of the heading of Regulation 81-101 Mutual Fund Prospectus Disclosure is replaced with the following:

“Regulation 81-101 respecting Mutual Fund Prospectus Disclosure”.

**2.** Section 1.1 of the Regulation is amended:

(1) by adding the following definition after “Part B section”:

““Personal Information Form and Authorization” means the Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of Personal Information set out in Appendix A to Regulation 41-101 respecting General Prospectus Requirements;”;

(2) by adding the following definition before “commodity pool”:

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

(3) by adding the following definition after “educational material”:

““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;” and;”.

**3.** Section 2.1 of the Regulation is amended by adding, after paragraph (d), the following:

“(e) must not file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus that relates to the prospectus.”.

**4.** Section 2.2 of the Regulation is amended:

(1) by replacing paragraph (1) of the French text with the following:

“1) La modification apportée à un prospectus simplifié ou à une notice annuelle prend la forme suivante:

a) soit une simple modification, sans reprise intégrale du texte du prospectus simplifié ou de la notice annuelle;

b) soit une version modifiée du prospectus simplifié ou de la notice annuelle.”;

(2) by replacing, in the French text of paragraph (2), the words “prendra obligatoirement la forme d’une section Partie B modifiée et mise à jour” with the words “doit prendre la forme d’une version modifiée de la section Partie B”;

<sup>9</sup> Regulation 58-101 respecting Disclosure of Corporate Governance Practices, approved by Ministerial Order No. 2005-11 dated June 7, 2005 (2005, *G.O.* 2, 2015), was amended solely by the regulation to amend that Regulation approved by Ministerial Order No. 2007-09 dated December 14, 2007 (2007, *G.O.* 2, 4077).

<sup>10</sup> Regulation 81-101 Mutual Fund Prospectus Disclosure, adopted by decision no. 2001-C-0283 dated June 12, 2001 was last amended by the regulation amending that regulation and approved by Ministerial Order No. 2006-03 dated October 31, 2006 (2006, *G.O.* 2, 3586). For previous amendments, refer to the *Tableau des modifications et Index sommaire, Éditeur officiel du Québec*, 2007, updated to September 1, 2007.

(3) by replacing paragraph (3) of the French text with the following:

“3) La modification d’un prospectus simplifié ou d’une notice annuelle est désignée et datée comme suit:

1. dans le cas d’une simple modification, sans reprise du texte du prospectus simplifié ou de la notice annuelle:

«Modification n° [indiquer le numéro de la modification] datée du [indiquer la date de la modification] apportée [au/à la] [indiquer le document] daté[e] du [indiquer la date du document faisant l’objet de la modification]. »;

2. dans le cas d’une version modifiée du prospectus ou de la notice annuelle autre qu’une modification visée au paragraphe 2:

«Version modifiée datée du [indiquer la date de la modification] [du/de la] [indiquer le document] daté[e] du [insérer la date du document faisant l’objet de la modification]. »;

**5.** The Regulation is amended by adding, after section 2.2, the following:

**“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 or, in Québec, the securities regulatory authority 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 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 or, in Québec, the securities regulatory authority must issue a receipt for an amendment to a simplified prospectus filed under this section unless the regulator or, in Québec, the securities regulatory authority considers that there are grounds set out in securities legislation that would cause the regulator or, in Québec, the securities regulatory authority not to issue the receipt for a simplified prospectus.

(4) Except in Ontario, the regulator or, in Québec, the securities regulatory authority 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.”

**6.** Section 2.3 of the Regulation is amended:

(1) in paragraph (1):

(a) by replacing subparagraph (a) with the following:

“(a) file with a preliminary simplified prospectus and a preliminary annual information form

(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 Regulation 41-101 respecting General Prospectus Requirements approved by Ministerial Order no. (*indicate the number and date of the ministerial order approving the regulation*), 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,

(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;

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

(b) by replacing subparagraphs (b)(i) to (iii) with the following:

“(i) for

(A) a new mutual fund, a copy of a draft opening balance sheet of the mutual fund, and

(B) an existing mutual fund, a copy of the latest audited financial statements of the mutual fund,

“(ii) personal information in the form of the Personal Information Form and Authorization 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, and

(D) if the promoter is not an individual, each director and executive officer of the promoter,

unless

(E) a completed Personal Information Form and Authorization,

(F) before March 17, 2008, a completed authorization in

(I) the form set out in Appendix B of Regulation 44-101 respecting Short Form Prospectus Distributions approved by Ministerial Order no. 200524 dated November 30, 2005,

(II) the form set out in *Form 41-501F2 of Rule 41-501 General Prospectus Requirements and Forms* ((2000), 23 BCVMO (Supp.) 765) of Ontario Securities Commission, or

(III) the form set out in Appendix A of Regulation Q-28 respecting General Prospectus Requirements adopted by decision no. 2001C0390 dated August 14, 2001, or

(G) before March 17, 2008, a completed personal information form or authorization in a form substantially similar to a personal information form or authorization in clause (E) or (F), as permitted under securities legislation,

was previously delivered in connection with the simplified prospectus of another mutual fund managed by the manager of the mutual fund,

“(iii) a signed letter to the regulator or, in Québec, the securities regulatory authority 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 in securities legislation.”;

(2) in paragraph (2):

(a) by replacing subparagraph (a)(ii) with the following:

“(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 Regulation 41-101 respecting 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, and

“(iii) any other supporting documents required to be filed under securities legislation, and”;

(b) by replacing subparagraph (b)(iv) with the following:

“(iv) personal information in the form of the Personal Information Form and Authorization 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, and

(D) if the promoter is not an individual, each director and executive officer of the promoter,

unless

(E) a completed Personal Information Form and Authorization,

(F) before March 17, 2008, a completed authorization in

(I) the form set out in Appendix B of Regulation 44-101 respecting Short Form Prospectus Distributions,

(II) the form set out in *Form 41-501F2 of Rule 41-501 General Prospectus Requirements and Forms* of Ontario Securities Commission, or

(III) the form set out in Appendix A of Regulation Q-28 respecting General Prospectus Requirements, or

(G) before March 17, 2008, a completed personal information form or authorization in a form substantially similar to a personal information form or authorization in clause (E) or (F), as permitted under securities legislation,

was previously delivered in connection with a simplified prospectus of the mutual fund or another mutual fund managed by the manager of the mutual fund, and

“(v) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.”;

(3) in paragraph (3):

(a) by replacing subparagraph (a)(iii) with the following:

“(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 Regulation 41-101 respecting General Prospectus Requirements approved by Ministerial Order no. (*indicate the number and the date of the Ministerial Order approving the regulation*), 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”;

(b) by replacing subparagraph (b)(iii) with the following:

“(iii) details of any changes to the personal information required to be delivered under subparagraph 2.3(1)(b)(ii) or 2.3(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 in securities legislation.”;

(4) in paragraph (4):

(a) by replacing subparagraphs (a)(i) and (ii) with the following:

“(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, and

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

(b) in subparagraph (b):



(i) by replacing, in the French text of subparagraph (i), the words “sous forme de prospectus simplifié modifié et révisé” with the words “une version modifiée du prospectus simplifié”;

(ii) by replacing, in the French text of subparagraph (ii), the words “sous forme de notice annuelle modifiée et révisée” with the words “une version modifiée de la notice annuelle”;

(iii) by replacing subparagraph (iii) with the following:

“(iii) details of any changes to the personal information required to be delivered under subparagraph 2.3(1)(b)(ii), 2.3(2)(b)(iv) or 2.3(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) in paragraph (5):

(a) by replacing subparagraphs (a)(i) and (ii) with the following:

“(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, and

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

(b) by replacing subparagraph (b) with the following:

“(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 2.3(1)(b)(ii), 2.3(2)(b)(iv) or 2.3(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; and

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

(6) by replacing paragraph (6) with the following:

“(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.”

**7.** The Regulation is amended by inserting the following after Section 2.4:

**“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 or, in Québec, the securities regulatory authority.

(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 or, in Québec, the securities regulatory authority 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 or, in Québec, the securities regulatory authority 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 whose profession or business gives authority to a statement made by that person

if that person 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 being named consents

(i) to being named, and

(ii) to the use of that person’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 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 as a result of the services performed by the person 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 an approved rating organization 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 Regulation 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.”

**8.** The Regulation is amended by inserting the following after Section 3.1:

##### **“3.1.1. Audit of Financial Statements**

Any financial statements, other than interim financial statements, incorporated by reference in a simplified prospectus must meet the audit requirements in Part 2 of Regulation 81-106 respecting Investment Fund Continuous Disclosure approved by Ministerial Order no. 2005-05 dated May 19, 2005.

##### **“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 Regulation 81-106 respecting Investment Fund Continuous Disclosure.”

**9.** Section 3.2 of the Regulation is amended:

(1) by deleting, wherever they appear in the English text, the words “or company”;

(2) by adding, at the end, the following:

“(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 to whom the preliminary simplified prospectus has been forwarded.”

**10.** The Regulation is amended by inserting the following after Part 5:

## “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 Regulation must be within 3 business days before the filing of the preliminary simplified prospectus, the simplified prospectus, the amendment to the simplified prospectus or the amendment to the annual information form, 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 or, in Québec, the securities regulatory authority may require any person 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 or, in Québec, the securities regulatory authority, a certificate of a promoter for a simplified prospectus may be signed by an agent duly authorized in writing by the person 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 or, in Québec, the securities regulatory authority 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 or, in Québec, the securities regulatory authority may accept a certificate signed by another officer.”.

**11.** The heading of Part 7 of the Regulation is replaced by the following:

“Part 7 Effective Date”.

**12.** Sections 7.2 and 7.3 of the Regulation are repealed.

**13.** Form 81-101F1 of the Regulation is amended:

(1) in Part A:

(a) by adding, at the end of Item 6, the following:

“(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, to permit short-term trades of securities of the mutual fund.

**INSTRUCTION**

*In the disclosure required by subsection (5) above, 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.”;*

(b) by inserting the following line item in the table of Item 8, after “Redemption fees”:

Short-term Trading Fee	<i>[specify percentage, as a percentage of.....]</i>
------------------------	------------------------------------------------------

(2) in Part B:

(a) by replacing paragraph (2) of Item 1 of the French text with the following:

“2) Si la section Partie B est une version modifiée, ajouter à la mention de bas de page prévue au paragraphe 1 une mention précisant qu’il s’agit d’une version modifiée du document et indiquant la date de cette version modifiée.”;

(b) in Item 6:

(i) by replacing paragraph (4) of the French text with the following:

“4) Si l’OPC est censé détenir une garantie ou une assurance afin de protéger tout ou partie du capital d’un placement dans l’OPC, indiquer ce fait comme objectif de placement fondamental de l’OPC et faire ce qui suit:

a) donner l’identité de la personne qui fournit la garantie ou l’assurance;

b) préciser les conditions importantes de la garantie ou de l’assurance, y compris son échéance;

c) le cas échéant, indiquer si la garantie ou l’assurance ne s’applique pas au montant des rachats effectués avant l’échéance de la garantie ou avant le décès du porteur et si ces rachats seraient calculés en fonction de la valeur liquidative de l’OPC à ce moment;

d) modifier toute autre information requise par la présente rubrique de manière appropriée.”;

(ii) by deleting, in the English text of subparagraph (a) of paragraph (4), the words “or company”;

(c) by replacing, in the French text of instruction 4 under Item 9, the words “*affichés aux fins de négociation*” with the words “*inscrits à la cote d’une bourse*”.

**14.** Form 81-101F2 of the Regulation is amended:

(1) in Item 8:

(a) by replacing the heading of Item 8 of the French text with the following:

**“Rubrique 8:****“Souscriptions et substitutions”;**

(b) by deleting, in the French text of paragraph (4), the words “pour chacun”;

(c) by replacing paragraph (5) of the French text with the following:

“5) Indiquer qu’un courtier a la possibilité de prévoir, dans le cadre de son entente avec un épargnant, qu’il demandera à celui-ci de l’indemniser de toute perte qu’il subit en raison du règlement d’un achat de titres de l’OPC qui n’est pas effectué par la faute de l’épargnant.”;

(2) in Item 11.1:

(a) by replacing Item 11.1 of the French text with the following:

**“11.1. Principaux porteurs de titres**

1) L'information exigée en application de la présente rubrique doit être fournie à une date fixe qui se situe dans les 30 jours de la date de la notice annuelle.

2) Préciser le nombre et le pourcentage de titres de chaque catégorie ou série de titres comportant droit de vote de l'OPC et du gestionnaire de l'OPC dont est porteur inscrit ou propriétaire véritable chaque personne qui est porteur inscrit ou propriétaire véritable, ou que l'OPC ou le gestionnaire sait être propriétaire véritable, directement ou indirectement, de plus de 10 % des titres comportant droit de vote de toute catégorie ou série, et indiquer si les titres sont détenus soit à la fois par un porteur inscrit et un propriétaire, soit par un porteur inscrit ou par un propriétaire véritable uniquement.

3) Pour toute entité qui est nommée en application du paragraphe 2, indiquer le nom de toute personne dont cette entité est une « entité contrôlée ».

4) Si une personne nommée en application du paragraphe 2 est porteur inscrit ou propriétaire véritable, directement ou indirectement, de plus de 10 % de toute catégorie de titres comportant droit de vote de toute catégorie du placeur principal de l'OPC, préciser le nombre et le pourcentage de titres de la catégorie ainsi détenus.

5) Indiquer le pourcentage de titres de chaque catégorie ou série de titres comportant droit de vote ou de titres de participation qui sont la propriété véritable, directement ou indirectement, de l'ensemble des administrateurs, des fiduciaires et des dirigeants:

a) de l'OPC et détenus:

i) soit dans l'OPC si le pourcentage total de propriété dépasse 10 %;

ii) soit dans le gestionnaire;

iii) ou dans toute personne qui fournit des services à l'OPC ou au gestionnaire;

b) du gestionnaire et détenus:

i) soit dans l'OPC si le pourcentage total de propriété dépasse 10 %;

ii) soit dans le gestionnaire;

iii) ou dans toute personne qui fournit des services à l'OPC ou au gestionnaire.

6) Indiquer le pourcentage de titres de chaque catégorie ou série de titres comportant droit de vote ou de titres de participation qui sont la propriété véritable, directement ou indirectement, de l'ensemble des membres du comité d'examen indépendant de l'OPC et sont détenus:

a) soit dans l'OPC si le pourcentage total de propriété dépasse 10 %;

b) soit dans le gestionnaire;

c) ou dans toute personne qui fournit des services à l'OPC ou au gestionnaire.”;

(b) by deleting, in the English text, the words “or company”;

(c) by deleting, in the English text of paragraph (5), the word “senior”;

(3) in Item 11.2:

(a) by deleting, in the English text of paragraph (3), the word “senior”;

(b) by replacing the instructions with the following:

“INSTRUCTIONS:

(1) A person is an “affiliated entity” of another person if one is a subsidiary entity of the other or if both are subsidiary entities of the same person or if each of them is a controlled entity of the same person.

(2) A person is a “controlled entity” of a person if

(a) in the case of a person

(i) voting securities of the first-mentioned person 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, and

(ii) the votes carried by the securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned person;

(b) in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person holds more than 50 % of the interests in the partnership; or



*(c) in the case of a limited partnership, the general partner is the second-mentioned person.*

*(3) A person is a “subsidiary entity” of another person if*

*(a) it is a controlled entity of*

*(i) that other,*

*(ii) that other and one or more persons, each of which is a controlled entity of that other, or*

*(iii) two or more persons, each of which is a controlled entity of that other; or*

*(b) it is a subsidiary entity of a person 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.”;*

(4) by replacing, in the subparagraph (a) of paragraph (7) of Item 12 of the French text, the words “personne ou société qui est” with “entité”;

(5) by adding the following paragraphs after paragraph (8) of Item 12:

“(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, to permit short-term trades in securities of the mutual fund, including

(a) the name of such person; 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.”;

(6) by replacing, in the French text of paragraph 1 of Item 15, the word “dirigeants” with “membres de la haute direction”;

(7) in paragraph (1) of Item 16:

(a) by replacing subparagraph (a) with the following:

“(a) the articles of incorporation, continuation or amalgamation, the declaration of trust or trust agreement of the mutual fund, limited partnership agreement or any other constating or establishing documents of the mutual fund;”;

(b) by replacing, in the French text of paragraph (d), the word “gardien” with the word “dépositaire”;

(8) in Item 17:

(a) by replacing, in the French text of the introductory sentence, the words “toute entente de règlement” with the words “tout règlement amiable”;

(b) by replacing, in the French text of subparagraph (b), the words “une entente de règlement” with the words “un règlement amiable”;

(9) in Item 19:

(a) by replacing paragraph (1) with the following:

“(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 required to be sent or delivered to a purchaser during the currency of this annual information form 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.”;

(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)] required to be sent or delivered

to a purchaser during the currency of the [amended and restated] annual information form [,as amended,] 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.”;

(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)] required to be sent or delivered to a purchaser during the currency of this amended and restated annual information form 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).”;

(b) by deleting, in the English text of paragraph (4), the words “or company”;

(10) by inserting, in the French text of paragraph (2) of Item 21 and after the words “l’un de ses”, the words “administrateurs ou”;

(11) by replacing, in the French text of paragraph (1) of Item 22, the words “constitue un exposé complet, véridique et clair de tous les faits importants se rapportant aux titres offerts dans le prospectus simplifié” with the words “révèlent de façon complète, véridique et claire tout fait important relatif aux titres faisant l’objet du placement au moyen du prospectus simplifié”.

**15.** The Regulation is amended by replacing, wherever it appears in the French text, the word “gardien” with the word “dépositaire”.

**16.** The Regulation is amended by deleting, wherever they appear in the English text, the words “or company” and “or companies”.

**17.** The Regulation is amended by replacing, wherever they appear in the French text, the words “société de gestion” with the word “gestionnaire”, and making the necessary changes.

**18.** This Regulation comes into force on March 17, 2008.

## Regulation to amend Regulation 81-102 Mutual Funds<sup>11</sup>

Securities Act  
(R.S.Q., c. V-1.1, s. 331.1, par. (6), (8), (16) and (34);  
2007, c. 15)

**1.** The English text of the heading of Regulation 81-102 Mutual Funds is replaced with the following:

“Regulation 81-102 respecting Mutual Funds”.

**2.** Section 1.1 of the Regulation is amended:

(1) by replacing the French text of the definition of “courtier gérant” with the following:

“«courtier gérant»:

a) soit un courtier visé qui agit à titre de conseiller en valeurs;

b) soit un conseiller en valeurs dans lequel un courtier visé, un associé, un administrateur, un dirigeant, un représentant ou l’actionnaire principal d’un courtier visé, directement ou indirectement, a la propriété véritable de titres comportant plus de 10 % des droits de vote rattachés aux titres du conseiller en valeurs, en est le porteur inscrit ou exerce, directement ou indirectement, une emprise sur de tels titres;

c) soit un associé ou un dirigeant du conseiller en valeurs visé au paragraphe b);”;

<sup>11</sup> Regulation 81-102 Mutual Funds, adopted on May 22, 2001 by decision no. 2001-C-0209 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 32, no. 22 dated June 1, 2001 was last amended by the regulation amending that regulation and approved by Ministerial Order No. 2006-03 dated October 31, 2006 (2006, *G.O.* 2, 3586). For previous amendments, refer to the *Tableau des modifications et Index sommaire, Éditeur officiel du Québec*, 2007, updated to September 1, 2007.

(2) in the French text of the definition of “restrictions sur les placements d’OPC fondées sur les conflits d’intérêts”;

(a) by replacing paragraph (a) with the following:

“a) interdisent à l’OPC de faire ou de détenir sciemment un placement dans toute personne qui constitue, au sens de la législation en valeurs mobilières, un porteur important de l’OPC, de sa société de gestion, de son gestionnaire ou de son placeur;”

(b) by replacing paragraph (c) with the following:

“c) interdisent à l’OPC de faire ou de détenir sciemment un placement dans tout émetteur dans lequel une personne qui est un porteur important de l’OPC, de sa société de gestion, de son gestionnaire ou de son placeur détient une participation importante au sens de la législation en valeurs mobilières; »;

(c) by adding, in paragraph (d) and after the word “dirigeant”, the words “ou administrateur”;

(3) by deleting, wherever they appear, the words « or company » and « or companies ».

**3.** Section 3.1 of the Regulation is amended:

(1) by replacing paragraph (1) with the following:

“(1) No person shall file a simplified 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 referred to subparagraphs (i) and (ii); or

(b) the simplified prospectus of the mutual fund states that the mutual fund will not issue securities other than those referred to in paragraph (a) unless subscriptions aggregating not less than \$500,000 have been received by the mutual fund from investors other than the persons referred to in paragraph (a) and accepted by the mutual fund.”;

(2) by deleting, in paragraph (2), the words “and companies”.

**4.** Section 6.4 of the Regulation is amended by replacing, in the French text of subparagraph (b) of paragraph (3), the words “propriété effective” with the words “propriété véritable”.

**5.** Section 6.5 of the Regulation is amended:

(1) by replacing, in the French text of paragraphs (1) and (2), the word “mandataire” with the word “prête-nom” and the words “propriété effective” with the words “propriété véritable”;

(2) by replacing, in the French text of paragraph (3), the words “organisme centralisateur” with the words “dépositaire central”;

(3) by replacing, in the French text of paragraph (4), the word “dépositaire” with the words “dépositaire central” and the words “propriété effective” with the words “propriété véritable”;

(4) by replacing, in the French text of paragraph (5), the words “propriété effective” with the words “propriété véritable”.

**6.** Section 6.7 of the Regulation is amended:

(1) by replacing, in the French text of paragraph (1) the words “procède aux diligences” with the words “remplit les conditions”;

(2) by replacing, in the French text of subparagraph (c) of paragraph (2), the words “formé après une enquête diligente” with the words “au mieux de ses connaissances”.

**7.** Section 6.8 of the Regulation is amended:

(1) by replacing the French text of paragraphs (1) and (2) with the following:

“1) L’OPC peut déposer un actif du portefeuille à titre de dépôt de garantie pour les opérations au Canada sur les options négociables, les options sur contrats à terme ou les contrats à terme standardisés auprès d’un courtier membre d’un OAR qui est membre participant du FCPE, à la condition que le montant du dépôt de garantie, ajouté au montant de la garantie déjà détenue par le courtier pour le compte de l’OPC, n’excède pas 10 % de l’actif net de l’OPC, calculé à la valeur au marché au moment du dépôt.

“2) L’OPC peut déposer un actif du portefeuille auprès d’un courtier à titre de dépôt de garantie pour les opérations à l’extérieur du Canada sur des options négociables, des options sur contrats à terme ou des contrats à terme standardisés, pour autant que soient remplies les conditions suivantes:

a) dans le cas de contrats à terme standardisés ou d’options sur contrats à terme, le courtier est membre d’un marché à terme ou, dans le cas d’options négociables, il est membre d’une bourse, si bien que, dans chaque cas, il est soumis à une inspection réglementaire;

b) ce courtier a une valeur nette supérieure à 50 000 000 \$ d’après ses derniers états financiers vérifiés qui ont été publiés;

c) le montant du dépôt de garantie, ajouté au montant de la garantie déjà détenue par le courtier pour le compte de l’OPC, n’excède pas 10 % de l’actif net de l’OPC, calculé à la valeur au marché au moment du dépôt.”;

(2) by deleting, in paragraphs (4) and (5), the words “or company” and “or companies”.

**8.** Section 6.9 of the French text of the Regulation is replaced by the following:

**“6.9 Le compte distinct pour le règlement des frais**

L’OPC peut déposer des fonds au Canada auprès d’une institution visée au point 1 ou 2 de l’article 6.2 en vue de faciliter le règlement de ses frais d’exploitation ordinaires.”.

**9.** The Regulation is amended by replacing, wherever they appear in the French text, the words “contrat à terme normalisé” and “contrats à terme normalisés” with, respectively, the words “contrat à terme standardisé” and “contrats à terme standardisés”.

**10.** The Regulation is amended by replacing, wherever they appear in the French text, the words “contrat à livrer” and “contrats à livrer” with, respectively, the words “contrat à terme de gré à gré” and “contrats à terme de gré à gré”.

**11.** The Regulation is amended by replacing, wherever they appear in the French text, the words “propriété effective” with the words “propriété véritable”.

**12.** The Regulation is amended by replacing, wherever they appear in the French text, the words “le critère de diligence” and “au critère de diligence” with, respectively, the words “la norme de diligence” and “à la norme de diligence”, and making the necessary changes.

**13.** The Regulation is amended by deleting, wherever they appear, the words “or company” and “or companies”.

**14.** The Regulation is amended by inserting, wherever they appear in the French text and after the words «dirigeant», «un dirigeant», «ses dirigeants», «les dirigeants» and «dirigeants», respectively, the words «administrateur», «un administrateur», «ses administrateurs», «les administrateurs» et «administrateurs», and making the necessary changes.

**15.** The Regulation is amended by replacing, wherever they appear in the French text, the words “société de gestion” with the word “gestionnaire”, and making the necessary changes.

**16.** This Regulation comes into force on March 17, 2008.

**Regulation to amend Regulation 81-104 respecting Commodity Pools<sup>12</sup>**

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1) and (8); 2007, c. 15)

**1.** Paragraph (1) of Section 3.2 of Regulation 81-104 respecting Commodity Pools is amended:

(1) by deleting the words “or company”;

(2) by replacing the French text of subparagraph (a) with the following:

“a) une mise de fonds d’au moins 50 000 \$ a été faite dans les titres du fonds marché à terme et, avant le moment du dépôt, les titres sont la propriété véritable, selon le cas:

i) du gestionnaire, du conseiller en placement, du promoteur ou du parrain du fonds marché à terme;

ii) des administrateurs, des dirigeants ou des actionnaires du gestionnaire, du conseiller en placement, du promoteur ou du parrain du fonds marché à terme;

<sup>12</sup> Regulation 81-104 respecting Commodity Pools, adopted on March 3, 2003 by decision no. 2003-C-0075 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 34, no. 19 dated May 16, 2003 was last amended by the regulation amending that regulation and approved by Ministerial Order No. 2006-03 dated October 31, 2006 (2006, *G.O.* 2, 3586). For previous amendments, refer to the *Tableau des modifications et Index sommaire, Éditeur officiel du Québec*, 2007, updated to September 1, 2007.

iii) d'une combinaison des personnes visées aux dispositions *i et ii*”.

- 2.** Sections 3.4 and 4.2 of the Regulation are repealed.
- 3.** The heading of Part 9 and sections 9.1 and 9.2 of the Regulation are repealed.
- 4.** The Regulation is amended by deleting, wherever they appear, the words “or company” and “or companies”.
- 5.** This Regulation comes into force on March 17, 2008.

### **Regulation to repeal Regulation No. 14 respecting acceptability of currencies in material filed with securities regulatory authority<sup>13</sup>**

Securities Act  
(R.S.Q., c.V-1.1, s. 331.1, pars. (1), (8), (9), (19) and (34); 2007, c. 15)

- 1.** Regulation No. 14 respecting acceptability of currencies in material filed with securities regulatory authority is repealed.
- 2.** This Regulation comes into force on March 17, 2008.

<sup>13</sup> Regulation No. 14 respecting acceptability of currencies in material filed with securities regulatory authority, adopted on June 12, 2001 pursuant to decision No. 2001-C-0294 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 32, No. 27, dated July 6, 2001, was amended solely by the Regulation to amend this regulation approved by Ministerial Order No. 2005-22 dated August 10, 2005 (2005, *G.O.* 2, 3516).

### **Regulation to repeal National Policy No. 21 National Advertising – Warnings<sup>14</sup>**

Securities Act  
(R.S.Q., c.V-1.1, s. 331.1, pars. (1), (8) (12) and (34); 2007, c. 15)

- 1.** National Policy No. 21 National Advertising – Warnings is repealed.
- 2.** This Regulation comes into force on March 17, 2008.

### **Regulation to repeal Regulation Q-2 respecting Real Estate Financings<sup>15</sup>**

Securities Act  
(R.S.Q. c.V-1.1, s. 331.1, pars. (1), (6), (12), (14) and (34); 2007, c. 15)

- 1.** Regulation Q-2 respecting Real Estate Financings is repealed.
- 2.** This Regulation comes into force on March 17, 2008.

<sup>14</sup> National Policy No. 21 National Advertising – Warnings, adopted on June 12, 2001 by decision no. 2001-C-0251 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 32, no. 25 dated June 22, 2001, has not been amended since its adoption.

<sup>15</sup> Regulation Q-2 respecting Real Estate Financings, adopted pursuant to decision No. 2001-C-0260 dated June 12, 2001 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 32, No. 26, dated June 29, 2001, was amended solely by the Regulation to amend the Regulation approved by Ministerial Order No. 2005-19 dated August 10, 2005 (2005, *G.O.* 2, 3516).

### Regulation to repeal Regulation Q-3 respecting Options<sup>16</sup>

Securities Act  
(R.S.Q. c.V-1.1, s. 331.1, pars. (11), (15) and (34);  
2007, c. 15)

1. Regulation Q-3 respecting Options is repealed.
2. This Regulation comes into force on March 17, 2008.

### Regulation to amend Regulation Q-17 respecting Restricted Shares<sup>17</sup>

Securities Act  
(R.S.Q. c.V-1.1, s. 331.1, pars. (1), (7), (8), (19) and  
(21); 2007, c. 15)

1. Sections 4 to 19 of Regulation Q-17 respecting Restricted Shares are repealed.
2. This Regulation comes into force on March 17, 2008.

### Regulation to repeal Regulation Q-18 respecting Additional Information for Disclosure in Prospectus of Deposit-Taking Issuers<sup>18</sup>

Securities Act  
(R.S.Q., c.V-1.1, s. 331.1, pars. (1) and (8); 2007, c. 15)

1. Regulation Q-18 respecting Additional Information for Disclosure in Prospectus of Deposit-Taking Issuers is repealed.

2. This Regulation comes into force on March 17, 2008.

### Regulation to repeal Regulation Q-25 respecting Real Estate Mutual Funds<sup>19</sup>

Securities Act  
(R.S.Q., c.V-1.1, s. 331.1, pars. (1), (8), (16) and (34);  
2007, c. 15)

1. Regulation Q-25 respecting Real Estate Mutual Funds is repealed.

2. This Regulation comes into force on March 17, 2008.

<sup>16</sup> Regulation Q-3 respecting Options, adopted pursuant to decision No. 2003-C-0135 dated April 8, 2003 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 34, No. 19, dated May 16, 2003, was last amended by the Regulation to amend the Regulation approved by Ministerial Order No. 2005-19 dated August 10, 2005 (2005, *G.O.* 2, 3516).

<sup>17</sup> Regulation Q-17 respecting Restricted Shares, adopted on June 12, 2001 pursuant to decision No. 2001-C-0264 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 32, No. 26, dated June 29, 2001, was last amended by the Regulation to amend the Regulation approved by Ministerial Order No. 2005-04 dated May 19, 2005 (2005, *G.O.* 2, 1496).

<sup>18</sup> Regulation Q-18 respecting Additional Information for Disclosure in Prospectus of Deposit-Taking Issuers, adopted on June 12, 2001 pursuant to decision No. 2001-C-0252 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 32, No. 25, dated June 22, 2001, was amended solely by the Regulation to amend the Regulation approved by Ministerial Order No. 2005-19 dated August 10, 2005 (2005, *G.O.* 2, 3516).

<sup>19</sup> Regulation Q-25 respecting Real Estate Mutual Funds, adopted on September 11, 2001 pursuant to decision No. 2001-C-0425 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 32, No. 37, dated September 14, 2001, was last amended by the Regulation to amend the Regulation approved by Ministerial Order No. 2005-19 dated August 10, 2005 (2005, *G.O.* 2, 3516).



## Regulation to repeal Regulation Q-28 respecting General Prospectus Requirements<sup>20</sup>

### Securities Act

(R.S.Q. c.V-1.1, s. 331.1, pars. (1), (2), (3), (5), (6), (7), (8), (9), (11), (12), (14), (15), (19) and (34); 2007, c. 15)

**1.** Regulation Q-28 respecting General Prospectus Requirements is repealed.

**2.** This Regulation comes into force on March 17, 2008.

## Regulation to amend the Securities Regulation<sup>21</sup>

### Securities Act

(R.S.Q. c. V-1.1, s. 331.1, pars. (1), (6), (8), (9), (13), (14), (15), (19), (19.1), (19.2), (20) and (34); 2007, c. 15)

**1.** Sections 12 to 17, 18.1, 19 and 21 to 23 of the Securities Regulation are repealed.

**2.** Section 24 of the Regulation is amended by replacing the words “to senior executives or to employees” in paragraph (2) with the words “to officers, directors or employees”.

**3.** Section 25 of the Regulation is amended by replacing the words “the senior executives” in subparagraph (5) of the first paragraph with the words “the officers and directors”.

**4.** Sections 26 and 27 of the Regulation are repealed.

**5.** Section 28 of the Regulation is amended by replacing the words “the issuer must agree not to replace such persons without the consent of the Authority” in the second paragraph with the words “the Authority may require that the issuer not replace such persons without its prior consent”.

**6.** Sections 29, 30.2, 33 to 37.1, 40, 44, 51, 53, 60, 63, 75 to 83, 85, 90 and 93 of the Regulation are repealed.

**7.** Section 94 of the Regulation is amended by adding the words “to owners residing in Québec and to holders registered in the name of an intermediary acting as nominee for a person residing” after the words “a report on the securities distributed”.

**8.** Section 96 of the Regulation is repealed.

**9.** Section 97 of the Regulation is amended by replacing the words “The dealer who has signed the certificate contained at the end of the prospectus or the dealer who made the distribution” with the words “The investment fund manager or the dealer who has signed the certificate at the end of the prospectus, or the dealer who made the distribution, as the case may be,”.

**10.** Sections 99 and 100 of the Regulation are repealed.

**11.** Section 115.01 of the Regulation is amended by replacing “of sections 119.5, 135, 138, 160, 162, 169.1, 170” with “of sections 119.5, 138, 162 and 169.1” in the second paragraph.

**12.** The Regulation is amended by adding the following after section 115.01:

“**115.02** The Authority may require that an officer, a director, a promoter of an issuer or the promoter of a venture complete the Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of Personal Information in Appendix A to Regulation 41-101 respecting General Prospectus Requirements approved by Ministerial Order No. (*indicate the number and date of the Ministerial Order approving the Regulation*).”

**13.** Section 135 of the Regulation is repealed.

**14.** Section 151 of the Regulation is amended by replacing the words “a senior executive’s” with the words “officers’ and directors”.

**15.** Section 155 of the Regulation is amended by replacing, in the English text, the words “a senior executive” with the words “an officer”.

<sup>20</sup> Regulation Q-28 respecting General Prospectus Requirements, adopted August 14, 2001 pursuant to decision No. 2001-C-0390 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 32, No. 34 dated August 24, 2001, was amended solely by the Regulations to amend the Regulation approved by Ministerial Order No. 2005-17 dated August 2, 2005 (2005, *G.O.* 2, 3524) and No. 2007-09 dated December 14, 2007 (2007, *G.O.* 2, 4077).

<sup>21</sup> The Securities Regulation, enacted by Order-in-Council No. 660-83 dated March 30, 1983 (1983, *G.O.* 2, 1269), was last amended by the Regulation to amend the Regulation approved by Ministerial Order No.2007-09 dated December 14, 2007 (2007, *G.O.* 2, 4077). For previous amendments, refer to the “*Tableau des modifications et Index sommaire*,” Éditeur officiel du Québec 2007, updated to September 1, 2007.

**16.** Sections 160 and 170 of the Regulation are repealed.

**17.** Section 171.1 of the Regulation is amended by replacing the words “a senior executive deemed” with the words “an officer or a director deemed”.

**18.** Section 197 of the Regulation is repealed.

**19.** The English text in the second paragraph of section 205 and in section 206 of the Regulation is amended by replacing the words “a senior executive” with the words “an officer”.

**20.** Section 224.2 of the Regulation is amended by replacing the words “senior executive” with the word “officer” in the English text of the introductory phrase.

**21.** Section 225 of the Regulation is amended by replacing the words “a senior executive” with the words “an officer” in the English text of paragraph (4).

**22.** Section 228 of the Regulation is amended by replacing the words “a senior executive” with the words “an officer” in the English text of subparagraph (5) of the first paragraph.

**23.** Section 228.1 of the Regulation is amended:

(1) by replacing the words “as a senior executive, the notice prescribed by section 228 is given by submitting Form 3” in the first paragraph with the words “as an officer or a director, the notice prescribed by section 228 is given by submitting the form provided for in Schedule 33-109F4 of Regulation 33-109 respecting Registration Information approved by Ministerial Order No. 2007-05 dated July 11, 2007”;

(2) by replacing the words “a senior executive already approved who is appointed senior executive” in the second paragraph with the words “an officer or a director already approved who is appointed officer or director”;

**24.** The English text in the first paragraph of section 231 and in section 233 of the Regulation is amended by replacing the words “a senior executive” with the words “an officer”.

**25.** Section 236 of the Regulation is amended by replacing the words “having as senior executive, a senior executive” in the second paragraph with the words “having as officer or director, an officer, a director”.

**26.** Section 239 of the Regulation is amended by replacing the words “list of its senior executives” with the words “list of its officers and directors”.

**27.** Section 242.1 of the Regulation is amended by replacing the words “or a senior executive” with the words “or an officer or a director”.

**28.** Section 252 of the Regulation is repealed.

**29.** Section 253 of the Regulation is amended by replacing the words “be senior executives” with the words “be officers or directors” in paragraph (3).

**30.** Form 2 of the Regulation is amended:

(1) by replacing the words “senior executive” with the word “officer” in the English text of item 1;

(2) by replacing the words “FORM 3” in item 5 with the words “form provided for in Schedule 33-109F4 of Regulation 33-109 respecting Registration Information”;

(3) by replacing item 6 with the following:

“6. OFFICERS AND DIRECTORS: (complete list)

Each officer and director must complete the form provided for in Schedule 33-109F4 of Regulation 33-109 respecting Registration Information.

Name	Address	Position
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(4) by replacing the words “by the senior executives” with the words “by the officers and directors” in the second paragraph of item 7(6);

(5) by replacing the words “of senior executive or” with the words “of officer, director or” in item 17(4);

(6) by replacing the words “senior executives to” with the words “officers or directors to” in paragraph 3 of the item entitled “IMPORTANT THE FOLLOWING DOCUMENTS MUST ACCOMPANY THE APPLICATION”;

**31.** Forms 3 and 4 and Schedule II of the Regulation are repealed.

**32.** Schedule VIII of the Regulation is amended:

(1) in item 3:

a) by replacing the words “who has been a senior executive of” with the words “who has been an officer or a director of” in paragraph (1);

b) by replacing the words “a senior executive or” with the words “an officer, director or” in subparagraph (4) of paragraph 2 of the instructions;

(2) by replacing the words “the senior executives of” with the words “the officers or directors of” in paragraph 3 of item 4;

(3) by replacing the words “the senior executives of” with the words “the officers and directors of” in subparagraph (4) of paragraph 2 of item 5;

(4) in item 7:

*a)* by replacing the heading with the following:

“Item 7: Indebtedness of officers and directors”;

*b)* by replacing the words “of each senior executive of the company, of a nominee for the position of director or of a person associated with such senior executive of nominee” in paragraph 1 with the words “of each officer or director of the company, of a nominee for the position of director or of a person associated with such officer, director or nominee”;

*c)* in the instructions:

*i)* by replacing the words “made to a senior executive who” in subparagraph (2) of paragraph 3 with the words “made to an officer or director who”;

*ii)* by replacing the words “senior executive” with the word “person” in the English text of subparagraph (3) of paragraph 3;

(5) in item 10:

*a)* by replacing the words “the senior executives of” in the introductory phrase with the words “the officers and directors of”;

*b)* by replacing the words “the officers” in paragraph 2 with the words “the officers and directors”.

**33.** This Regulation comes into force on March 17, 2008.

8592

**M.O., 2008-04**

**Order number V-1.1-2008-04 of the Minister of Finance dated 4 March 2008**

Securities Act  
(R.S.Q., c. V-1.1)

CONCERNING Regulation 11-102 respecting passport system

WHEREAS subparagraphs 1, 2, 3, 4.1, 6, 8, 11, 13, 14, 20, 33, 33.5, 33.6, 33.8 and 34 of section 331.1 of the Securities Act (R.S.Q., c. V-1.1), amended by section 15 of chapter 15 of the statutes of 2007, stipulate that the Autorité des marchés financiers may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act stipulate that a draft regulation shall be published in the Bulletin of the Authority, accompanied with the notice required under section 10 of the Regulations Act (R.S.Q., c. R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section stipulate that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or any later date specified in the regulation;

WHEREAS the draft Regulation 11-102 respecting passport system was published in the Bulletin de l’Autorité des marchés financiers, volume 4, no. 13 of March 30, 2007;

WHEREAS the Authority made, on February 22, 2008, by the decision no. 2008-PDG-0056, Regulation 11-102 respecting passport system;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment Regulation 11-102 respecting passport system appended hereto.

March 4, 2008

*Minister of Finance,*  
MONIQUE JÉRÔME-FORGET

## Regulation 11-102 respecting passport system

Securities Act  
(R.S.Q., c.V-1.1, s. 331.1, par. (1), (2), (3), (4.1), (5), (6), (8), (11), (13), (14), (20), (33), (33.5), (33.6), (33.8) and (34); 2007, c. 15)

### PART 1 DEFINITIONS

#### 1.1. Definitions

In this Regulation,

“equivalent provision” means, for a provision listed in Appendix D below the name of a jurisdiction, the provision set opposite that provision below the name of another jurisdiction;

“national prospectus instrument” means

(a) Regulation 41-101 respecting General Prospectus Requirements,

(b) Regulation 44-101 respecting Short Form Prospectus Distributions,

(c) Regulation 44-102 respecting Shelf Distributions,

(d) Regulation 44-103 respecting Post-Receipt Pricing, or

(e) Regulation 81-101 Mutual Fund Prospectus Disclosure;

“preliminary prospectus” includes an amendment to a preliminary prospectus;

“principal jurisdiction” means, for a person, the jurisdiction of the principal regulator;

“principal regulator” means, for a person, the securities regulatory authority or regulator determined in accordance with Part 3 or 4, as applicable;

“prospectus” includes an amendment to a prospectus;

“SEDAR” has the same meaning as in Regulation 13-101 respecting System for Electronic Document Analysis and Retrieval.

#### 1.2. Language of documents - Québec

In Québec, nothing in this Regulation shall be construed as relieving a person from requirements relating to the language of documents.

#### 1.3 References in Québec

For Québec purposes, all referencing and complete titles of acts, regulations, instruments, policies and other relevant texts referred to in this Regulation are set out in Appendix E.

### PART 2 CONTINUOUS DISCLOSURE

#### 2.1. Exemption from non-harmonized continuous disclosure requirements

A provision listed in Appendix A does not apply to a reporting issuer if the reporting issuer is also a reporting issuer under the securities legislation of another jurisdiction of Canada.

### PART 3 PROSPECTUS

#### 3.1. Principal regulator for prospectus

(1) For the purposes of this section, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

(2) For the purposes of a prospectus filing subject to this Part the principal regulator is the securities regulatory authority or regulator of the jurisdiction in which

(a) the issuer’s head office is located, if the issuer is not an investment fund, or

(b) the investment fund manager’s head office is located, if the issuer is an investment fund.

(3) If the jurisdiction identified under paragraph (2) (a) or (b) is not a specified jurisdiction, the principal regulator is the securities regulatory authority or regulator of the specified jurisdiction with which the issuer or, in the case of an investment fund, the investment fund manager, has the most significant connection.

#### 3.2. Discretionary change of principal regulator for prospectus

Despite section 3.1, if a person receives written notice from a securities regulatory authority or regulator that specifies a principal regulator, the securities regulatory authority or regulator specified in the notice is the principal regulator as of the later of

(a) the date the person receives the notice, and

(b) the effective date specified in the notice, if any.

### 3.3. Deemed issuance of receipt

(1) A receipt for a preliminary prospectus is deemed to be issued if

(a) the preliminary prospectus is filed under a provision set out in Appendix B and under a national prospectus instrument,

(b) at the time of filing the preliminary prospectus, the filer indicates on SEDAR that it is filing the preliminary prospectus under this Regulation,

(c) the local jurisdiction is not the principal jurisdiction for the preliminary prospectus, and

(d) the preliminary prospectus is filed with the principal regulator and the principal regulator issues a receipt for it.

(2) A receipt for a prospectus is deemed to be issued if

(a) the prospectus is filed under a provision set out in Appendix B and under a national prospectus instrument,

(b) subject to section 3.5(2), the filer

(i) complied with paragraph (1)(b) at the time of filing the related preliminary prospectus, or

(ii) indicated on SEDAR that it filed the related pro forma prospectus under this Regulation at the time of filing the related pro forma prospectus,

(c) the local jurisdiction is not the principal jurisdiction for the prospectus, and

(d) the prospectus is filed with the principal regulator and the principal regulator issues a receipt for the prospectus.

### 3.4. Exemption from non-harmonized prospectus requirements

(1) A provision listed in Appendix C does not apply to a preliminary prospectus if

(a) the preliminary prospectus is filed under a provision set out in Appendix B and under a national prospectus instrument,

(b) the preliminary prospectus is filed in at least one other jurisdiction of Canada, and

(c) a jurisdiction where the preliminary prospectus is filed is the principal jurisdiction for the filing of the preliminary prospectus.

(2) A provision listed in Appendix C does not apply to a prospectus, other than a preliminary prospectus, if

(a) the prospectus is filed under a provision set out in Appendix B and under a national prospectus instrument,

(b) the prospectus is filed in at least one other jurisdiction of Canada, and

(c) a jurisdiction where the prospectus is filed is the principal jurisdiction for the filing of the prospectus.

### 3.5. Transition for section 3.3

(1) Section 3.3(1) does not apply in respect of a receipt issued on or after March 17, 2008 if the receipt relates to an amendment, filed after March 17, 2008, to a preliminary prospectus and the preliminary prospectus was filed before March 17, 2008.

(2) Section 3.3(2)(b) does not apply in respect of a receipt issued on or after March 17, 2008 if

(a) the receipt relates to an amendment to a prospectus whose related preliminary prospectus or pro forma prospectus was filed before March 17, 2008, and

(b) the filer indicated on SEDAR that it filed the amendment under this Regulation at the time of filing the amendment.

## PART 4 DISCRETIONARY EXEMPTIONS

### 4.1. Specified jurisdiction

For the purposes of this Part, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

### 4.2. Principal regulator – general

The principal regulator for an application for an exemption is,

(a) for an application made with respect to an investment fund, the securities regulatory authority or regulator of the jurisdiction in which the investment fund manager's head office is located, or

(b) for an application made with respect to a person other than an investment fund, the securities regulatory authority or regulator of the jurisdiction in which the person's head office is located.

#### **4.3. Principal regulator – exemptions related to insider reporting and take-over bids**

Despite section 4.2, the principal regulator for an application for an exemption from

(a) a provision related to insider reporting listed in Appendix D is the securities regulatory authority or regulator of the jurisdiction in which the head office of the reporting issuer is located, or

(b) a provision related to take-over bids listed in Appendix D is the securities regulatory authority or regulator of the jurisdiction in which the head office of the issuer whose securities are subject to the take-over bid is located.

#### **4.4. Principal regulator – head office not in a specified jurisdiction**

If the jurisdiction identified under section 4.2 or 4.3, as applicable, is not a specified jurisdiction, the principal regulator for the application is the securities regulatory authority or regulator of the specified jurisdiction with which

(a) in the case of an application for an exemption from a provision related to insider reporting listed in Appendix D, the reporting issuer has the most significant connection,

(b) in the case of an application for an exemption related to a provision related to take-over bids listed in Appendix D, the issuer whose securities are subject to the take-over bid has the most significant connection, or

(c) in any other case, the person or, in the case of an investment fund, the investment fund manager, has the most significant connection.

#### **4.5. Principal regulator – exemption not sought in principal jurisdiction**

(1) If a person is not seeking an exemption in the jurisdiction of the principal regulator, as determined under section 4.2, 4.3 or 4.4, as applicable, the principal regulator for the application is the securities regulatory authority or regulator in the specified jurisdiction

(a) in which the person is seeking the exemption, and

(b) with which

(i) in the case of an application for an exemption from a provision related to insider reporting, the reporting issuer has the most significant connection,

(ii) in the case of an application for an exemption from a provision related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or

(iii) in any other case, the person, or in the case of an investment fund, the investment fund manager, has the most significant connection.

(2) Despite subsection (1), if at any one time a person is seeking more than one exemption and not all of the exemptions are needed in the jurisdiction of the principal regulator, as determined under section 4.2, 4.3 or 4.4 or subsection (1), as applicable, the person may make the application to the securities regulatory authority or regulator in the specified jurisdiction

(a) in which the person is seeking all of the exemptions, and

(b) with which

(i) in the case of an application for an exemption from a provision related to insider reporting, the reporting issuer has the most significant connection,

(ii) in the case of an application for exemption from a provision related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or

(iii) in any other case, the person, or in the case of an investment fund, the investment fund manager, has the most significant connection.

(3) If a person makes an application under subsection (2), the securities regulatory authority or regulator under that subsection is the principal regulator for the application.

#### **4.6. Discretionary change of principal regulator for discretionary exemption applications**

If a person receives written notice from a securities regulatory authority or regulator that specifies a principal regulator for the person's application, the securities regulatory authority or regulator specified in the notice is the principal regulator for the application.

#### **4.7. Passport application of discretionary exemptions**

(1) If an application is made in the principal jurisdiction for an exemption from a provision of securities legislation listed in Appendix D, the equivalent provision of the local jurisdiction does not apply if



(a) the local jurisdiction is not the principal jurisdiction for the application,

(b) the principal regulator for the application granted the exemption,

(c) the person that made the application gives notice to the securities regulatory authority or regulator that this subsection is intended to be relied upon for the equivalent provision of the local jurisdiction, and

(d) the person relying on the exemption complies with any terms, conditions, restrictions or requirements imposed by the principal regulator as if they were imposed in the local jurisdiction.

(2) For the purpose of paragraph (1) (c), the person may give the notice referred to in that paragraph by giving it to the principal regulator.

#### **4.8. Availability of passport for discretionary exemptions applied for before March 17, 2008**

(1) If, before March 17, 2008, an application was made in a specified jurisdiction for an exemption from a provision of securities legislation listed in Appendix D, the equivalent provision of the local jurisdiction does not apply if

(a) the local jurisdiction is not the specified jurisdiction,

(b) the securities regulatory authority or regulator in the specified jurisdiction granted the exemption whether the order was made before, on or after March 17, 2008,

(c) the person that made the application gives notice to the securities regulatory authority or regulator that this subsection is intended to be relied upon for the equivalent provision of the local jurisdiction, and

(d) the person relying on the exemption complies with any terms, conditions, restrictions or requirements imposed by the securities regulatory authority or regulator in the specified jurisdiction as if they were imposed in the local jurisdiction.

(2) For the purpose of paragraph (1) (c), the person may give the notice referred to in that paragraph by giving it to the securities regulatory authority or regulator that would be the principal regulator under Part 4 if an application were to be made under that Part at the time the notice is given.

(3) Paragraph (1)(c) does not apply to a reporting issuer in respect of an exemption from a CD requirement, as defined in Regulation 11-101 respecting Principal Regulator System, if, before March 17, 2008,

(a) the principal regulator, identified under that Regulation, granted the exemption, and

(b) the reporting issuer filed the notice of principal regulator under section 2.2 or 2.3 of that Regulation.

## **PART 5 EFFECTIVE DATE**

### **5.1. Effective date**

This Regulation comes into force on March 17, 2008.

## **APPENDIX A**

### **NON-HARMONIZED CONTINUOUS DISCLOSURE PROVISIONS**

<b>Jurisdiction</b>	<b>Provisions</b>
British Columbia	sections 2 ( <i>Foreign financial statements and reports</i> ), and 3, other than subsection 3(3) ( <i>Preparation of financial statements</i> ) of the Securities Rules
Alberta	none
Saskatchewan	none
Manitoba	none
Québec	none
New Brunswick	none
Nova Scotia	none
Prince Edward Island	none
Newfoundland and Labrador	none
Yukon	none
Northwest Territories	none
Nunavut	none

**APPENDIX B**

## PROSPECTUS PROVISIONS

Jurisdiction	Securities Act provisions
British Columbia	sections 61(1) ( <i>Prospectus required</i> ) and 62 ( <i>Voluntary filing of prospectus</i> )
Alberta	section 110 ( <i>Filing prospectus</i> )
Saskatchewan	section 58 ( <i>Prospectus required</i> )
Manitoba	sections 37(1) ( <i>Prohibition as to trading</i> ) and 37(1.1) ( <i>Voluntary filing of non-offering prospectus</i> )
Ontario	section 53 ( <i>Prospectus required</i> )
Québec	sections 11 ( <i>Prospectus required</i> ), 12 ( <i>Distribution outside Québec</i> ), and 68 (para 2) ( <i>Voluntary filing of prospectus</i> )
New Brunswick	section 71 ( <i>Filing of preliminary prospectus and prospectus required and voluntary filing of prospectus</i> )
Nova Scotia	sections 58(1) ( <i>Prospectus required</i> ) and 58(2) ( <i>Prospectus to enable issuer to become a reporting issuer where no distribution is contemplated</i> )
Prince Edward Island	section 94 ( <i>Prospectus required</i> )
Newfoundland and Labrador	sections 54.(1) ( <i>Prospectus required</i> ) and 54.(2) ( <i>Prospectus to enable issuer to become a reporting issuer where no distribution is contemplated</i> )
Yukon	section 94 ( <i>Prospectus required</i> )
Northwest Territories	section 27(2) ( <i>Prohibition</i> )
Nunavut	section 27(2) ( <i>Prohibition</i> )

**APPENDIX C**

## NON-HARMONIZED PROSPECTUS PROVISIONS

Jurisdiction	Provisions
British Columbia	sections 2 ( <i>Foreign financial statements and reports</i> ), and 3, other than subsection 3(3) ( <i>Preparation of financial statements</i> ) of the Securities Rules
Alberta	none
Saskatchewan	none
Manitoba	none
Québec	section 25 ( <i>Distribution made by the issuer itself</i> ) of Securities Regulation
New Brunswick	none
Nova Scotia	none
Prince Edward Island	none
Newfoundland and Labrador	none
Yukon	none
Northwest Territories	none
Nunavut	none





Provision	British Columbia	Alberta	Saskatchewan	Manitoba	Québec	Nova Scotia	New Brunswick	Prince Edward Island	Newfoundland and Labrador	Yukon	Northwest Territories	Nunavut	Ontario
Standards of disclosure for oil and gas activities						Regulation 51-101					n/a		Regulation 51-101
Continuous disclosure obligations						Regulation 51-102 (except as noted below)					n/a		Regulation 51-102 (except as noted below)
Publication of material change						s. 7.1 of Regulation 51-102					n/a		s.75 of Securities Act and s.3(1.1) of Regulation 1015 (General)
Accounting principles, auditing standards and reporting currency requirements						Regulation 52-107							
Auditor oversight						Regulation 52-108S							
Certification of disclosure in annual and interim filings						Regulation 52-109							
Audit committees						Regulation 52-110							
Communication with beneficial owners						Regulation 54-101					n/a		Regulation 54-101
System for electronic disclosure by insiders (SEDI)						Regulation 55-102					n/a		Regulation 55-102
Insider reporting for certain derivative transactions (EM) - Reporting requirement	ss. 87(2), (5) and (6)					s. 2.1 of Regulation 55-103					n/a		s.2.1 of Regulation 55-103

Provision	British Columbia	Alberta	Saskatchewan	Manitoba	Québec	Nova Scotia	New Brunswick	Prince Edward Island	Newfoundland and Labrador	Yukon	Northwest Territories	Numavut	Ontario
EM – Existing agreements which continue in force	s.87.1					s.2.3 of Regulation 55-103					n/a		s.2.3 of Regulation 55-103
EM – Existing agreements entered into prior to becoming insider	s.87(2) and (6)					s.2.4 of Regulation 55-103					n/a		s.2.4 of Regulation 55-103
EM – Form and timing of report	s. 87(2), (5) and (6) of <i>Securities Act</i> and s. 155.1(1), (2) and (3) of <i>Securities Rules</i>					s.3.1 of Regulation 55-103					n/a		s.3.1 of Regulation 55-103
EM – Form and timing of report for existing agreements	s. 87.1 of <i>Securities Act</i> and s. 155.1(4) of <i>Securities Rules</i>					s.3.2 of Regulation 55-103					n/a		s.3.2 of Regulation 55-103
EM – Form and timing of report for existing agreements entered into prior to becoming insider	s.87(2) and (6) of <i>Securities Act</i> and s. 155.1(1) and (3) of <i>Securities Rules</i>					s.3.3 of Regulation 55-103					n/a		s.3.3 of Regulation 55-103
Disclosure of corporate governance practices						Regulation 58-101							Regulation 58-101
Protection of minority security holders in special transactions			n/a		Regulation 61-101				n/a				Regulation 61-101



Provision	British Columbia	Alberta	Saskatchewan	Manitoba	Québec	Nova Scotia	New Brunswick	Prince Edward Island	Newfoundland and Labrador	Yukon	Northwest Territories	Nunavut	Ontario
Early warning reports and other take-over bid and insider reporting requirements													Regulation 62-103
Take-over bids and issuer bid requirements (TOB/IB) – Restrictions on acquisitions during take-over bid													s.93.1(1)
TOB/IB – Restrictions on acquisitions during issuer bid													s.93.1(4)
TOB/IB – Restrictions on acquisitions before take-over bid													s.93.2(1)
TOB/IB – Restrictions on acquisitions after bid													s.93.3(1)
TOB/IB – Restrictions on sales during formal bid													s.97.3(1)
TOB/IB – Duty to make bid to all security holders													s.94
TOB/IB – Commencement of bid													s.94.1(1) and (2)

















Provision	British Columbia	Alberta	Saskatchewan	Manitoba	Québec	Nova Scotia	New Brunswick	Prince Edward Island	Newfoundland and Labrador	Yukon	Northwest Territories	Nunavut	Ontario
<b>Prospectus</b>													
Prospectus requirement	s.61	s.110	s.58	s.37	ss.11 and 12	s.58	s.71(1)	s.94	s.54	s.94	s.27	s.27	s.53
Contents of prospectus (full, true & plain disclosure)	s.63	s.113	s.61	s.41	ss.13 and 20	s.61	s.74	s.99	s.57	s.99	n/a	n/a	s.56
Waiting period communications	s.78	s.123	s.73	s.38	ss.21 & 22	s.70	s.82	s.97	s.66	s.97	n/a	n/a	s.65(2)
Obligation to send prospectus	s.83	s.129	s.79	s.64	ss.29, 30, 31 and 32	s.76	s.88	s.101(1)	s.72	s.101(1)	s.28	s.28	s.71(1)
<b>Requirements when using prospectus exemptions</b>													
Filing disclosure documents in connection with exemption	n/a	s.127.2 of ASC Rules	s.80.1	n/a	s.37.2 of Securities Regulation	n/a	s.2.3 of Local Rule 45-802	n/a	n/a	n/a	n/a	n/a	s.6.4 of OSC Rule 45-501
Filing report of exempt distribution	s.139 of Securities Rules and ss. 6.1 and 6.3 of Regulation 45-106	s.129.1 of ASC Rules and ss. 6.1 and 6.3 of Regulation 45-106	ss. 6.1 and 6.3 of Regulation 45-106	s.7 of Regulation and ss. 6.1 and 6.3 of Regulation 45-106	ss. 6.1 and 6.3 of Regulation 45-106	ss. 6.1 and 6.3 of Regulation 45-106	ss. 6.1 and 6.3 of Regulation 45-106	ss. 6.1 and 6.3 of Regulation 45-106	ss. 6.1 and 6.3 of Regulation 45-106	ss. 6.1 and 6.3 of Regulation 45-106	n/a	n/a	s. 7.1 of OSC Rule 45-501 and ss. 6.1 and 6.3 of Regulation 45-106
<b>Continuous Disclosure</b>													
Voting if proxies provided	s.118	s.157	s.96	s.105	n/a	s.93	ss.102 and 103(2)	n/a	s.88	n/a	n/a	n/a	s.87
Shares in name of registrant not to be voted	s.182 of Securities Rules	s.104	s.55	s.79	s.164	s.55	s.103(3) – (7)	s.163	s.50	s.163	n/a	n/a	s.49

Provision	British Columbia	Alberta	Saskatchewan	Manitoba	Québec	Nova Scotia	New Brunswick	Prince Edward Island	Newfoundland and Labrador	Yukon	Northwest Territories	Nunavut	Ontario
<b>Insider Reporting</b>													
Insider reports –filing upon becoming an insider of a reporting issuer	s.87(2) other than as it applies to a related financial instrument	s.182(1)	s.116(1)	s.109	s.96	ss.113(1) of Securities Act and 172 of General Securities Rules	s.135(1)	s.1(1) of Local Rule 55-501	s.108(1)	n/a	n/a	n/a	s.107(1)
Insider reports filing upon acquisition or change in securities	s.87(5) other than as it applies to a related financial instrument	s.182(2)	s.116(2)	s.109	s.97	s.113(2)	s.135(2)	s.1(2) of Local Rule 55-501	s.108(2)	n/a	n/a	n/a	s.107(2)
Insider reports –filing upon being deemed an insider	s.87(6) other than as it applies to a related financial instrument	s.182(3)	s.116(3)	s.109	s.98	s.113(4)	s.135(3)	s.1(3) of Local Rule 55-501	s.108(3)	n/a	n/a	n/a	s.107(3)
Time periods for filing insider reports	s.155.1 of Securities Rules other than as it applies to a related financial instrument	s.190 of ASC Rules	s.165(1) of Regulations	s.109	ss.171, 171.1, 172 & 174 of Securities Regulation	s.113	s.5 of Local Rule 11-502	s.1 of Local Rule 55-501	s.108	n/a	n/a	n/a	s.107
Transfer reports	n/a	s.182(2)	s.117	n/a	s.102	s.116	s.136	n/a	s.109	n/a	n/a	n/a	s.108 of Securities Act and s.167 of Regulation 1015 (General)

Provision	British Columbia	Alberta	Saskatchewan	Manitoba	Québec	Nova Scotia	New Brunswick	Prince Edward Island	Newfoundland and Labrador	Yukon	Northwest Territories	Nunavut	Ontario
Nominee reports	n/a	s.183	s.118	n/a	s.103	s.117	n/a	s.110	s.108	s.108	n/a	n/a	s.109 of Securities Act and s.168 of Regulation 1015 (General)
<b>Take-Over Bids and Issuer Bids</b>													
Directors must make recommendation on bid	s.99(1)(a)	s.160	s.100	s.90	ss.113 & 114	s.105(2)	s.124	s.108	s.92	s.108	n/a	n/a	ss.95 and 96
<b>Investment Funds – Self Dealing</b>													
Investments of mutual funds	s.121	s.185	s.120	n/a	s.236 of Securities Regulation	s.119	s.137	n/a	n/a	n/a	n/a	n/a	s.111
Indirect investment	s.122	s.186	s.121	n/a	n/a	s.120	s.138	n/a	n/a	n/a	n/a	n/a	s.112
Fees on investment for mutual fund	s.124	s.189	s.124	n/a	n/a	s.123	s.141	n/a	n/a	n/a	n/a	n/a	s.115
Report of mutual fund manager	s.126	s.191	s.126	n/a	n/a	s.125	s.143	n/a	n/a	n/a	n/a	n/a	s.117
Restrictions on transactions with responsible persons	s.127	s.192	s.127	n/a	s.236 of Securities Regulation	s.126	s.144	n/a	n/a	n/a	n/a	n/a	s.118
<b>General</b>													
Confidentiality	s.169	s.221	s.152	s.149(q)	s.296	s.148	s.198	s.26	s.140	s.25	s.44	s.44	s.140
Accounting principles, auditing standards and reporting requirements (other than in Regulation 52-107)	s.3(3) of Securities Rules	n/a	n/a	n/a	ss.116 and 121 of Securities Regulation	s.3(4) of Reg.	n/a	n/a	n/a	n/a	n/a	n/a	s.2(1) of Regulation 1015 (General)

**APPENDIX E**REFERENCING OF ACTS, REGULATIONS,  
INSTRUMENTS AND POLICIES**British Columbia**

- Securities Act (R.S.B.C. 1996, c. 418);
- Securities Rules (B.C. Reg. 194/97).

**Alberta**

- Securities Act (R.S.A. 2000, c. S-4);
- Alberta Securities Commission Rules (Alta. Reg. 46/87).

## Saskatchewan

- The Securities Act, 1988 (S.S. 1988-89, c. S-42.2);
- The Securities Regulations (R.R.S. c. S-42.2 Reg. 1).

**Manitoba**

- Securities Act (C.C.S.M. c. S50);
- Securities Regulation (Man. Reg. 491/88 R).

**Ontario**

- Securities Act (R.S.O. 1990, c. S. 5);
- Regulation 1015 (General) (R.R.O. 1990, Reg. 1015);
- Rule 45-501 Exempt Distributions ((1998), 21 OSCB 6548);
- Rule 62-504 Take-Over Bids and Issuer Bids ((2007), 31 OSCB 1289).

**Québec**

- Securities Act (R.S.Q., c. V-1.1);
- An Act respecting the distribution of financial products and services (R.S.Q., c. D-9.2);
- National Instrument 55-102, System for Electronic Disclosure by Insiders (SEDI), adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0339 dated July 10, 2001;

— National Instrument 71-101, The Multijurisdictional Disclosure System, adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0280 dated June 12, 2001;

— Securities Regulation enacted by Order-in-Council 660-83, 30 March 1983 (1983, *G.O.* 2, 1269);

— Regulation Q-17 respecting Restricted Shares adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0265 dated June 12, 2001;

— Regulation 11-101 respecting Principal Regulator System approved by Ministerial Order no. 2005-18 dated August 9, 2005;

— Regulation 13-101 respecting the System for Electronic Document Analysis and Retrieval (SEDAR) adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0272 dated June 12, 2001;

— Regulation 14-101 respecting Definitions, adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0274 dated June 12, 2001;

— Regulation 21-101 respecting Market Operations adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0409 dated August 28, 2001;

— Regulation 23-101 respecting Trading Rules adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0411 dated August 28, 2001;

— Regulation 24-101 respecting Institutional Trade Matching and Settlement approved by Ministerial Order no. 2007-03 dated March 21, 2007;

— Regulation 31-102 respecting National Registration Database approved by Ministerial Order no. 2007-04 dated July 11, 2007;

— Regulation 33-105 respecting Underwriting Conflicts approved by Ministerial Order no. 2005-14 dated August 2, 2005;

— Regulation 33-109 respecting Registration Information approved by Ministerial Order no. 2007-05 dated July 11, 2007;



- Regulation 41-101 respecting General Prospectus Requirements approved by Ministerial Order no. (*insert the number and date of the Ministerial Order approving this regulation*);
- Regulation 43-101 respecting Standards of Disclosure for Mineral Projects approved by Ministerial Order no. 2005-23 dated November 30, 2005;
- Regulation 44-101 respecting Short Form Prospectus Distributions approved by Ministerial Order no. 2005-24 dated November 30, 2005;
- Regulation 44-102 respecting Shelf Distributions adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0201 dated May 22, 2001;
- Regulation 44-103 respecting Post-Receipt Pricing adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0203 dated May 22, 2001;
- Regulation 45-101 respecting Rights Offerings adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0247 dated June 12, 2001;
- Regulation 45-102 respecting Resale of Securities approved by Ministerial Order no. 2005-21 dated August 12, 2005;
- Regulation 45-106 respecting Prospectus and Registration Exemptions approved by Ministerial Order no. 2005-20 dated August 12, 2005;
- Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities approved by Ministerial Order no. 2005-15 dated August 2, 2005;
- Regulation 51-102 respecting Continuous Disclosure Obligations approved by Ministerial Order no. 2005-03 dated May 19, 2005;
- Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency approved by Ministerial Order no. 2005-08 dated May 19, 2005;
- Regulation 52-108 respecting Auditor Oversight approved by Ministerial Order no. 2005-16 dated August 2, 2005;
- Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings approved by Ministerial Order no. 2005-09 dated June 7, 2005;
- Regulation 52-110 respecting Audit Committees approved by Ministerial Order no. 2005-10 dated June 7, 2005;
- Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2003-C-0082 dated March 3, 2003;
- Regulation 55-103 respecting Insider Reporting for Certain Derivative Transactions (Equity Monetization) approved by Ministerial Order no. 2005-27 dated December 14, 2005;
- Regulation 58-101 respecting Disclosure of Corporate Governance Practices approved by Ministerial Order no. 2005-11 dated June 7, 2005;
- Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions approved by Ministerial Order no. 2008-01 dated January 22, 2008;
- Regulation 62-103 respecting the Early Warning System and Related Take-Over Bid and Insider Reporting Issues adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2003-C-0109 dated March 18, 2003;
- Regulation 62-104 respecting Take-Over Bids and Issuer Bids approved by Ministerial Order no. 2008-02 dated January 22, 2008;
- Regulation 81-101 Mutual Fund Prospectus Disclosure adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0283 dated June 12, 2001;
- Regulation 81-102 Mutual Funds adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0209 dated May 22, 2001;
- Regulation 81-104 respecting Commodity Pools adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2003-C-0075 dated March 18, 2003;
- Regulation 81-105 respecting Mutual Fund Sales Practices adopted by the *Commission des valeurs mobilières du Québec* pursuant to decision no. 2001-C-0212 dated May 22, 2001;
- Regulation 81-106 respecting Investment Fund Continuous Disclosure approved by Ministerial Order no. 2005-05 dated May 19, 2005;

— Regulation 81-107 respecting Independent Review Committee for Investment Funds approved by Ministerial Order no. 2006-02 dated October 31, 2006.

### **New Brunswick**

— Securities Act (S.N.B. 2004, c. S-5.5);  
— General Regulation – Securities Act (N.B. Reg. 2004-66).

### **Nova Scotia**

— Securities Act (R.S.N.S. 1989, c. 418);  
— General Securities Rules of the Nova Scotia Securities Commission (N.S. Reg. 51/96).

### **Prince Edward Island**

— Securities Act (R.S.P.E.I. 1988, c. S-3);  
— Securities Act Regulations (P.E.I. Reg. EC165/89).

### **Newfoundland and Labrador**

— Securities Act (R.S.N.L. 1990, c. S-13);  
— Securities Regulations (C.N.L.R. 805/96).

### **Yukon**

— Securities Act (R.S.Y. 2002, c. 201);  
— Securities Regulations (O.I.C.1976/176).

### **Northwest Territories**

— Securities Act (R.S.N.W.T. 1988, c. S-5);  
— Securities General Regulations (N.W.T. Reg. 017-2003).

### **Nunavut**

— Securities Act (R.S.N.W.T. 1988, c. S-5);  
— Securities Regulation (R.R.N.W.T. 1990, c. S-5).

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## **M.O., 2008-05**

### **Order number V-1.1-2008-05 of the Minister of Finance dated 4 March 2008**

Securities Act  
(R.S.Q., c. V-1.1)

CONCERNING Regulation 41-101 respecting general prospectus requirements

WHEREAS subparagraphs 1, 3, 6, 7, 8, 11, 13, 15, 19.1 and 34 of section 331.1 of the Securities Act (R.S.Q., c. V-1.1), amended by section 15 of chapter 15 of the statutes of 2007, stipulate that the Autorité des marchés financiers may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act stipulate that a draft regulation shall be published in the Bulletin of the Authority, accompanied with the notice required under section 10 of the Regulations Act (R.S.Q., c. R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section stipulate that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or any later date specified in the regulation;

WHEREAS the draft Regulation 41-101 respecting general prospectus requirements was published in the Bulletin de l'Autorité des marchés financiers, volume 3, no. 51 of December 21, 2006;

WHEREAS the Authority made, on February 22, 2008, by the decision no. 2008-PDG-0054, Regulation 41-101 respecting general prospectus requirements;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment Regulation 41-101 respecting general prospectus requirements appended hereto.

March 4, 2008

MONIQUE JÉRÔME-FORGET,  
*Minister of Finance*

## Regulation 41-101 respecting general prospectus requirements

Securities Act  
(R.S.Q., c.V-1.1, s. 331.1, par. (1), (3), (6), (7), (8), (11), (13), (15), (19.1) and (34); 2007, c. 15)

### PART 1 DEFINITIONS AND INTERPRETATIONS

#### 1.1. Definitions

In this Regulation:

“acquisition” has the same meaning as in Part 8 of Regulation 51-102 respecting Continuous Disclosure Obligations approved by Ministerial Order no. 2005-03 dated May 19, 2005;

“acquisition of related businesses” has the same meaning as in Part 8 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“alternative credit support” has the same meaning as in section 13.4 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“approved rating organization” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“asset-backed security” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“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 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 Regulation 51-102 respecting Continuous Disclosure Obligations;

“business acquisition report” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“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 Regulation 51-102 respecting Continuous Disclosure Obligations;

“credit supporter” has the same meaning as in section 13.4 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“custodian” means the institution appointed by an investment fund to act as custodian of the portfolio assets of the investment fund;

“date of acquisition” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“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 Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency approved by Ministerial Order no. 2005-08 dated May 19, 2005;

“equity investee” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“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;

“executive officer” means, for an issuer, 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 production, or

(c) performing a policy-making function in respect of the issuer;

“foreign disclosure requirements” has the same meaning as in section 1.1 of Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“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;

“income from continuing operations” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“independent review committee” means an independent review committee under Regulation 81-107 respecting Independent Review Committee for Investment Funds approved by Ministerial Order no. 2006-02 dated October 31, 2006;

“information circular” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“interim period” has the same meaning as in

(a) section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations for an issuer other than an investment fund, or

(b) section 1.1 of Regulation 81-106 respecting Investment Fund Continuous Disclosure approved by Ministerial Order no. 2005-05 dated May 19, 2005 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,

(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 Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“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 balance sheet 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 income statement of the issuer included in the preliminary prospectus is less than \$10,000,000, and

(e) whose shareholders’ equity as at the date of the most recent balance sheet of the issuer included in the preliminary prospectus is less than \$10,000,000,

taking into account all adjustments to asset, revenue and shareholders’ 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 balance sheet included in the preliminary prospectus as if each acquisition had taken place as at the date of the issuer’s most recent balance sheet included in the preliminary prospectus, and

(g) for paragraph (d), after the last day of the most recent annual income statement 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 an income statement is included in the preliminary prospectus;

“labour sponsored or venture capital fund” has the same meaning as in section 1.1 of Regulation 81-106 respecting Investment Fund Continuous Disclosure;

“long form prospectus” means a prospectus filed in the form of Form 41-101F1 or Form 41-101F2;

“marketplace” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“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 Regulation 43-101 respecting Standards of Disclosure for Mineral Projects approved by Ministerial Order no. 2005-23 dated November 30, 2005;

“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;

“principal securityholder” means a person 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 Regulation 45-106 respecting Prospectus and Registration Exemptions approved by Ministerial Order no. 2005-20 dated August 12, 2005;

“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 or, in Québec, the securities regulatory authority 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, unless the restriction is

(a) permitted or prescribed by statute or regulation, and

(b) is applicable only to persons 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 Regulation 51-102 respecting Continuous Disclosure Obligations;

“reverse takeover” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“reverse takeover acquirer” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“SEC issuer” has the same meaning as in section 1.1 of Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“short form prospectus” means a prospectus filed in the form of Form 44-101F1 of Regulation 44-101 respecting Short Form Prospectus Distributions;

“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;

“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;

“transition year” means the financial year of an issuer or business in which the issuer or business changes its financial year-end;

“U.S. GAAP” has the same meaning as in section 1.1 of Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“U.S. GAAS” has the same meaning as in section 1.1 of Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“U.S. marketplace” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“venture issuer” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations 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 or, in Québec, the securities regulatory authority for a preliminary prospectus and the issuance of a receipt by the regulator or, in Québec, the securities regulatory authority for a final prospectus.

## **1.2. Interpretation of “prospectus”, “preliminary prospectus”, “final prospectus”, “long form prospectus”, and “short form prospectus”**

(1) In this Regulation, 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 Regulation, a reference to a “preliminary prospectus” includes a preliminary long form prospectus and a preliminary short form prospectus.

(3) In this Regulation, a reference to a “final prospectus” includes a final long form prospectus and a final short form prospectus.

(4) In this Regulation, a reference to a “long form prospectus” includes a preliminary long form prospectus and a final long form prospectus.

(5) In this Regulation, 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 and Form 41-101F2,

(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 Regulation, unless otherwise stated, a reference to a business includes an interest in an oil and gas property to which reserves, as defined in Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities approved by Ministerial Order no. 2005-15 dated August 2, 2005, have been specifically attributed.

### 1.4. Interpretation of “affiliate”

In this Regulation, 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 Regulation 51-102 respecting Continuous Disclosure Obligations.

### 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

### Application of the Regulation

(1) Subject to subsection (2), this Regulation applies to a prospectus filed under securities legislation and a distribution of securities subject to the prospectus requirement.

(2) This Regulation does not apply to a prospectus filed under Regulation 81-101 respecting Mutual Fund Prospectus Disclosure or a distribution of securities under such a prospectus adopted pursuant to decision no. 2001-C-0283 dated June 12, 2001.

### 2.2. Language

(1) An issuer must file a prospectus and any other document required to be filed under this Regulation or Regulation 44-101 respecting Short Form Prospectus Distributions 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 Regulation 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 a final prospectus more than 90 days after the date of the receipt for the preliminary prospectus that relates to the final 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 subsection (2) 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 filing a prospectus must file the prospectus in the form of Form 41-101F2.

(3) An issuer that is qualified to file a short form prospectus may file a short form prospectus.

## **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 Regulation.

(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 Regulation.

(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 Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency unless an exception in section 32.5 or subsection 35.1(3) of Form 41-101F1 applies.

(2) Any financial statements, other than interim financial statements, included in or incorporated by reference into a long form prospectus of an investment fund filed in the form of Form of 41-101F2 must meet the audit requirements of Part 2 of Regulation 81-106 respecting Investment Fund Continuous Disclosure.

### **4.3. Review of unaudited financial statements**

(1) 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'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 Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency permits the financial statements of the person in subsection (1) to be audited in accordance with

(a) U.S. GAAS, the unaudited financial statements may be reviewed in accordance with U.S. review standards,

(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 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 included in, or incorporated by reference into, the long form prospectus has been approved by the board of directors of the person.

(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 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,

(iii) section 21.2 of Form 44-101F1,

(iv) Regulation 44-102 respecting Shelf Distributions adopted pursuant to decision no. 2001-C-0201 dated May 22, 2001 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) Regulation 44-103 respecting Post-Receipt Pricing adopted pursuant to decision no. 2001-C-0203 dated May 22, 2001 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,

(iii) section 21.3 of Form 44-101F1,

(iv) Regulation 44-102 respecting Shelf Distributions 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) Regulation 44-103 respecting Post-Receipt Pricing 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.

(2) A prospectus certificate that is required to be signed by the issuer under this Regulation 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 Regulation 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 or, in Québec, the securities regulatory authority is satisfied that either or both of the chief executive officer or chief financial officer cannot sign a certificate in a prospectus, the regulator or, in Québec, the securities regulatory authority may accept a certificate signed by another officer.

## 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 Regulation 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 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 or, in Québec, the securities regulatory authority 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 or, in Québec, the securities regulatory authority 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 Regulation 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 with authority to bind the general partner.

(3) If the regulator or, in Québec, the securities regulatory authority 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 or, in Québec, the securities regulatory authority 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 Regulation or other securities legislation must be signed by the persons that, in relation to the issuer, are in a similar position or perform a similar function to the persons required to sign under sections 5.4 to 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.

(2) A prospectus certificate that is required to be signed by an underwriter under this Regulation or other securities legislation must be in the applicable underwriter certificate form.

(3) Except in Ontario, with the consent of the regulator or, in Québec, the securities regulatory authority, a certificate in a prospectus may be signed by the underwriter's agent duly authorized in writing by the underwriter.

### 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.

### 5.11. Certificate of promoter

(1) Except in Ontario, a prospectus must contain a certificate signed by each promoter of the issuer.

(2) A prospectus certificate required to be signed by a promoter under this Regulation or other securities legislation must be in the applicable issuer certificate form.

(3) Except in Ontario, the regulator or, in Québec, the securities regulatory authority may require any person 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.

(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 (R.S.B.C. 1996, ch. 418).

(5) Except in Ontario, with the consent of the regulator or, in Québec, the securities regulatory authority, a certificate of a promoter in a prospectus may be signed by an agent duly authorized in writing by the person required to sign the certificate.

### 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 or, in Québec, the securities regulatory authority, 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 or, in Québec, the securities regulatory authority may require any other person 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.

(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 (R.S.B.C. 1996, ch. 418).

### 5.13. Certificate of selling securityholders

(1) Except in Ontario, the regulator or, in Québec, the securities regulatory authority may require any person 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 (R.S.B.C. 1996, ch. 418).

### 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 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 sepa-

rate financial statements of the person if the issuer's financial statements do not include consolidated information concerning the person.

(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 or, in Québec, the securities regulatory authority may, in its discretion, require any person to sign a certificate to the prospectus, in the form that the regulator or, in Québec, the securities regulatory authority 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 (R.S.B.C. 1996, ch. 418).

## 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].”*

### 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 or, in Québec, the securities regulatory authority 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 Regulation 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, and

(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.

### 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 Regulation 44-101 respecting Short Form Prospectus Distributions.

### 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.



### 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.

(2) The regulator or, in Québec, the securities regulatory authority 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.

(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.

(3) Except in Ontario, the regulator or, in Québec, the securities regulatory authority must issue a receipt for an amendment to a final prospectus filed under this section unless the regulator or, in Québec, the securities regulatory authority considers that there are grounds set out in securities legislation that would cause the regulator or, in Québec, the securities regulatory authority not to issue the receipt for a prospectus.

(4) Except in Ontario, the regulator or, in Québec, the securities regulatory authority must not refuse to issue a receipt under subsection (3) without giving the issuer who filed the prospectus an opportunity to be heard or, in Québec, to present observations and, if applicable, to produce documents to complete its record.

(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 or, in Québec, the securities regulatory authority.

(6) Subsection (5) does not apply to an investment fund in continuous distribution.

## 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 distributing a security under a prospectus must do so at a fixed price.

(2) Despite subsection (1), securities may be distributed for cash at non-fixed prices under a prospectus if the securities have received a rating, on a provisional or final basis, from at least one approved rating organization 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 Regulation 44-101 respecting Short Form Prospectus Distributions, or

(b) the filing of the long form prospectus.

(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 or, in Québec, the securities regulatory authority 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 or, in Québec, the securities regulatory authority has issued a receipt for the further amendment, if an amendment to a final prospectus is filed and the regulator or, in Québec, the securities regulatory authority 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 holding the funds in trust referred to in paragraph (a) must return the funds to the subscribers without any deductions.

## PART 9 REQUIREMENTS FOR FILING A LONG FORM PROSPECTUS

### 9.1. 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) in the case of a preliminary long form prospectus, a signed copy of the preliminary long form prospectus;

(ii) 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) a copy of any material contract required to be filed under section 9.3;

(iv) 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;

(v) if the issuer has a mineral project, the technical reports required to be filed with a preliminary long form prospectus under Regulation 43-101 respecting Standards of Disclosure for Mineral Projects; and

(vi) 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

(b) deliver to the regulator or, in Québec, the securities regulatory authority, concurrently with the filing of the preliminary or pro forma long form prospectus, the following:

(i) 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 previously filed;

(ii) a completed Appendix A 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,

for whom the issuer has not previously filed or delivered,

(E) a completed personal information form and authorization in the form set out in Appendix A,

(F) before March 17, 2008, a completed authorization in

(I) the form set out in Appendix B of Regulation 44-101 respecting Short Form Prospectus Distributions,

(II) the form set out in *Form 41-501F2 Authorization of Indirect Collection of Personal Information* ((2000), 23 BCVMO (Supp.) 765) of Ontario Securities Commission, or

(III) the form set out in Appendix A of Regulation Q-28 respecting General Prospectus Requirements adopted pursuant to decision no. 2001-C-0390 dated August 14, 2001, or

(G) before March 17, 2008, a completed personal information form or authorization in a form substantially similar to a personal information form or authorization in clause (E) or (F), as permitted under securities legislation; and

(iii) 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 or, in Québec, the securities regulatory authority 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.

## 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) a signed copy of the final long form prospectus;

(ii) a copy of any document described under subparagraph 9.1(a)(ii) that has not previously been filed;

(iii) a copy of each material contract required to be filed under section 9.3 that has not previously been filed under subparagraph 9.1(a)(iii);

(iv) a copy of any document described under subparagraph 9.1(a)(iv) that has not previously been filed;

(v) 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(a)(v) or 9.1(a)(vi);

(vi) 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) a submission to jurisdiction and appointment of agent for service of process of

(A) each selling securityholder, and

(B) each person required to sign a certificate under Part 5 or other securities legislation, other than an issuer,

in the form set out in Appendix C, if the person 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) the consents required to be filed under section 10.1;

(ix) 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) 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 of Regulation 44-101 respecting Short Form Prospectus Distributions, so long as the securities being distributed are issued and outstanding;

(xi) 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 (R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.)), other than an "investment fund" as defined in section 1.1 of Regulation 81-106 respecting Investment Fund Continuous Disclosure,

(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) if a document referred to in subparagraph (ii), (iii) or (iv) has not been executed or become effective before the filing of the final long form prospectus but will be executed or 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 within seven days after the completion of the distribution; and

(xiii) 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; and

(b) deliver to the regulator or, in Québec, the securities regulatory authority, no later than the filing of the final long form prospectus

(i) a copy of the final long form prospectus blacklined to show changes from the preliminary or pro forma long form prospectus; and

(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.

### 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) 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 whose profession or business gives authority to a statement made by that person

if that person is named in a prospectus or an amendment to a prospectus, directly or, if applicable, in a document incorporated by reference,

(d) as having prepared or certified any part of the prospectus or the amendment,

(e) 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

(f) 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 being named consents

(i) to being named, and

(ii) to the use of that person'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 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 as a result of the services performed by the person 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 is made, and

(b) that the person 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 has reported, or

(ii) within the knowledge of the person as a result of the audit of the financial statements.

(4) Subsection (1) does not apply to an approved rating organization 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

No person may distribute securities under a prospectus to any person 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 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 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 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 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 or combination of persons, 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) 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) 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 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**

### **13.1. Legend for communications during the waiting period**

(1) A notice, circular, advertisement, letter 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 notice, circular, advertisement, letter or other communication is in writing, set out the language in subsection (1) in boldface type that is at least as large as that used generally in the body of the text.

### **13.2. Legend for communications following receipt for the final prospectus**

(1) A notice, circular, advertisement, letter 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 notice, circular, advertisement, letter or other communication is in writing, set out the language in subsection (1) in boldface type that is at least as large as that used generally in the body of the text.

### **13.3. Advertising for investment funds 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 a company or an interest in a non-corporate entity such as a trust unit or a partnership interest;

(b) the name of the issuer;

(c) the price of the security;

(d) the investment objective(s) of the investment fund;

(e) the name of the manager of the investment fund;

(f) the name of the portfolio adviser of the investment fund;

(g) the name and address of a person from whom a preliminary prospectus may be obtained and purchases of securities may be made; and

(h) how many securities will be made available.



## 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 Regulation, other than an investment fund subject to Regulation 81-102 respecting Mutual Funds adopted pursuant to decision no. 2001-C-0209 dated May 22, 2001.

(2) 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 (Statutes of Canada, 1991, c. 46);

(b) a trust company that

(i) is incorporated and licenced or registered under the laws of Canada or a jurisdiction, and

(ii) has shareholders' 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 shareholders' 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 shareholders' 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 shareholders' 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 Regulation.

(2) Despite paragraphs (1)(a) and (b), a general consent to the appointment of persons 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 that is appointed sub-custodian under a general consent referred to in subsection (2).

#### 14.5. Content of agreements

(1) All agreements between the investment fund and the custodian or the custodian and the sub-custodian 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) An agreement between an investment fund and a custodian or a custodian and a sub-custodian respecting the portfolio assets 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 Regulation 81-102 respecting Mutual Funds.

(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 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 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.

#### **14.9. 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, other than scholarship plans.

#### **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 section 37.1 of Form 41-101F2.

(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 section 37.2 of Form 41-101F2.

(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.

### **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 to whom the preliminary prospectus has been forwarded.

### **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 or Form 41-101F2, 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 Regulation.

(3) This Part does not apply to a prospectus filed in accordance with Regulation 44-101 respecting Short Form Prospectus Distributions, Regulation 44-102 respecting Shelf Distributions or Regulation 44-103 respecting Post-Receipt Pricing.

#### **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 or, in Québec, the securities regulatory authority.

(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 or, in Québec, the securities regulatory authority 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 or, in Québec, the securities regulatory authority 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.

## **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.

## **PART 19 EXEMPTION**

### **19.1. Exemption**

(1) The regulator, except in Québec, or the securities regulatory authority may grant an exemption from the provisions of this Regulation, 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 Regulation 14-101 respecting Definitions adopted pursuant to decision no. 2001-C-0274 dated June 12, 2001 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 Regulation 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 that sought the exemption sent to the regulator or, in Québec, the securities regulatory authority

(i) the letter or memorandum referred to in section 19.2 on or before the date of the filing of the preliminary prospectus, or

(ii) the letter or memorandum referred to in section 19.2 after the date of the filing of the preliminary prospectus and received a written acknowledgement from the regulator or, in Québec, the securities regulatory authority that the exemption may be evidenced in the manner set out in subsection (1), and

(b) the regulator or, in Québec, the securities regulatory authority has not before, or concurrently with, the issuance of the receipt sent notice to the person 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) A final prospectus may, at the issuer's option, be prepared in accordance with securities legislation in effect

(a) at the date of the issuance of a receipt for the preliminary prospectus or the date of filing the pro forma prospectus, as applicable, or

(b) at the date of issuance of a receipt for the final prospectus.

(2) Despite this Regulation, securities legislation in effect at the date of the issuance of a receipt for a preliminary prospectus or the filing of a pro forma prospectus, as applicable, applies to a distribution if the issuer prepared the final prospectus in accordance with paragraph (1)(a).

### 20.2. Effective date

This Regulation comes into force on March 17, 2008.

## APPENDIX A

### PERSONAL INFORMATION FORM AND AUTHORIZATION OF INDIRECT COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION

In connection with an issuer's (the "Issuer") filing of a prospectus, the attached Schedule 1 contains information (the "Information") concerning every individual for whom the Issuer is required to provide the Information under Part 9 of this Regulation or Part 4 of Regulation 44-101 respecting Short Form Prospectus Distributions. The Issuer is required by provincial and territorial securities legislation to deliver the Information to the regulators and, in Québec, to the securities regulatory authority listed in Schedule 3.

The Issuer confirms that each individual who has completed a Schedule 1:

(a) has been notified by the Issuer

(i) of the Issuer's delivery to the regulator or, in Québec, the securities regulatory authority of the Information in Schedule 1 pertaining to that individual,

(ii) that the Information is being collected indirectly by the regulator or, in Québec, the securities regulatory authority under the authority granted to it by provincial

and territorial securities legislation or provincial legislation relating to documents held by public bodies and the protection of personal information,

(iii) that the Information collected from each director and executive officer of the investment fund manager may be used in connection with the prospectus filing of the Issuer and the prospectus filing of any other issuer managed by the investment fund manager,

(iv) that the Information is being collected and used for the purpose of enabling the regulator or, in Québec, the securities regulatory authority to administer and enforce provincial and territorial securities legislation, including those obligations that require or permit the regulator or, in Québec, the securities regulatory authority to refuse to issue a receipt for a prospectus if it appears to the regulator or, in Québec, the securities regulatory authority that the past conduct of management, an investment fund manager or promoter 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, and

(v) of the contact, business address and business telephone number of the regulator or, in Québec, the securities regulatory authority in the local jurisdiction as set out in the attached Schedule 3, who can answer questions about the regulator's or, in Québec, the securities regulatory authority's indirect collection of the Information;

(b) has read and understands the Personal Information Collection Policy attached hereto as Schedule 2; and

(c) has, by signing the certificate and consent in Schedule 1, authorized the indirect collection, use and disclosure of the Information by the regulator or, in Québec, the securities regulatory authority as described in Schedule 2.

Date: \_\_\_\_\_

Name of Issuer

Per: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Official Capacity

(Please print the name of the person signing on behalf of the issuer)



## SCHEDULE 1

### 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 Regulation 41-101 respecting General Prospectus Requirements or Part 4 of Regulation 44-101 respecting Short Form Prospectus Distributions. Where an individual has submitted a personal information form (an “Exchange Form”) to the Toronto Stock Exchange or the TSX Venture Exchange and the information has not changed, the Exchange Form may be delivered in lieu of this Form; provided that the certificate and consent of this Form is completed and attached to the Exchange Form.

**The securities regulatory authorities do not make any of the information provided in this Form public.**

#### General Instructions:

**All Questions**      **All questions must have a response.** The response of “N/A” or “Not Applicable” for any questions, except Questions 1(B), 2B(iii) and 5 will not be accepted.

**Questions 6 to 9**    Please check (✓) in the appropriate space provided. If your answer to any of questions 6 to 9 is “YES”, you must, in an attachment, provide complete details, including the circumstances, relevant dates, names of the parties involved and final disposition, if known. **Any attachment must be initialled by the person completing this Form.** Responses must consider all time periods.

**Delivery**            **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.**

## 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 (R.S., 1985, c. C-46);

(b) a quasi-criminal offence (for example under the Income Tax Act (R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.)), the Immigration and Refugee Protection Act (Statutes of Canada, 2001, c. 27) or the tax, immigration, drugs, firearms, money laundering or securities legislation of any 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 foreign jurisdiction;

NOTE: If you have received a pardon under the Criminal Records Act (R.S., 1985, c. C-47) and it has not been revoked, 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 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 organization authorized by law to regulate the operations and the standards of practice and business conduct of its members and their representatives, in which the self-regulatory organization is required under its by-laws or rules to hold or afford the parties the opportunity for a hearing 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;

“securities regulatory authority” (or “SRA”) means a body created by statute in any jurisdiction or in any foreign jurisdiction to administer securities law, regulation and policy (e.g. securities commission), but does not include an exchange or other self regulatory or professional organization;

“self regulatory or professional organization” means:

- (a) a stock, 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 entity, recognized by a securities regulatory authority, that is responsible for the enforcement of rules, disciplines or codes under any applicable legislation, or considered a self regulatory or professional organization in another country.

#### 1. A. IDENTIFICATION OF INDIVIDUAL COMPLETING FORM

LAST NAME(S)	FIRST NAME(S)	MIDDLE NAME(S) (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 applicable.	IF DIRECTOR / OFFICER DISCLOSE THE DATE ELECTED / APPOINTED			IF OFFICER – PROVIDE TITLE IF OTHER – PROVIDE DETAILS
	(✓)	Month	Day	
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

<b>C. GENDER</b>	<b>DATE OF BIRTH</b>			<b>PLACE OF BIRTH</b>		
	Month	Day	Year	City	Province/State	Country
	Male					
	Female					
<b>D. MARITAL STATUS</b>	<b>FULL NAME OF SPOUSE – include common-law</b>				<b>OCCUPATION OF SPOUSE</b>	

<b>E. TELEPHONE AND FACSIMILE NUMBERS AND E-MAIL ADDRESS</b>			
<b>RESIDENTIAL</b>	( )	<b>FACSIMILE</b>	( )
<b>BUSINESS</b>	( )	<b>E-MAIL</b>	

<b>F. RESIDENTIAL HISTORY – Provide all residential addresses for the past 10 YEARS starting with your current principal residential address. If you are unable to correctly identify the complete residential address for a period, which is beyond five years from the date of completion of this Form, the municipality and province or state and country must be identified. The regulator or, in Québec, the securities regulatory authority reserves the right to require the full address.</b>				
<b>STREET ADDRESS, CITY, PROVINCE/STATE, COUNTRY &amp; POSTAL/ZIP CODE</b>	<b>FROM</b>		<b>TO</b>	
	MM	YY	MM	YY

## 2. CITIZENSHIP

<b>A. CANADIAN CITIZENSHIP</b>			<b>YES</b>	<b>NO</b>
(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 2A(ii), the number of years of continuous residence in Canada:			
<b>B. OTHER CITIZENSHIP</b>			<b>YES</b>	<b>NO</b>
(i)	Do you hold citizenship in any country other than Canada?			
(ii)	If “Yes” to Question 2B(i), the name of the country(s):			
(iii)	Please provide U.S. Social Security number, where you have such a number			

### 3. EMPLOYMENT HISTORY

Provide your employment history for the **10 YEARS** immediately prior to the date of this Form starting with your current employment. Use an attachment if necessary.

EMPLOYER NAME	EMPLOYER ADDRESS	POSITION HELD	FROM		TO	
			MM	YY	MM	YY

### 4. POSITIONS WITH OTHER ISSUERS

	YES	NO
A. While you were a director, officer or insider of an issuer, did any exchange or self-regulatory organization ever refuse approval for listing or quotation of that issuer (including a listing resulting from a qualifying transaction, reverse takeover, backdoor listing or change of business)? If yes, attach full particulars.		
B. Has your employment in a sales, investment or advisory capacity with any firm or company engaged in the sale of real estate, insurance or mutual funds ever been terminated for cause?		
C. Has a firm or company registered under the securities laws of any jurisdiction or of any foreign jurisdiction as a securities dealer, broker, investment advisor or underwriter, suspended or terminated your employment for cause?		
D. Are you or have you during the last 10 years ever been a director, officer, promoter, insider or control person for any reporting issuer?		

E. If "YES" to 4D 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 ISSUER	POSITION(S) HELD	MARKET TRADED ON	FROM		TO	
			MM	YY	MM	YY

## 5. EDUCATIONAL HISTORY

- A. **PROFESSIONAL DESIGNATION(S)** – Provide 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., and CFA, etc. and indicate which organization and the date the designations were granted.

PROFESSIONAL DESIGNATION And MEMBERSHIP NUMBER	GRANTOR OF DESIGNATION And JURISDICTION OR FOREIGN JURISDICTION	DATE GRANTED			ACTIVE?	
		MM	DD	YY	YES	NO

- B. Provide your post-secondary educational history starting with the most recent.

SCHOOL	LOCATION	DEGREE OR DIPLOMA	DATE OBTAINED		
			MM	DD	YY

6. **OFFENCES** – If you answer “YES” to any item in Question 6, you must provide complete details in an attachment.

	YES	NO
A. Have you ever pleaded guilty to or been found guilty of an offence?		
B. Are you the subject of any current charge, indictment or proceeding for an offence?		
C. To the best of your knowledge, are you or have you <b>ever</b> been a director, officer, promoter, insider, or control person of an issuer, in any jurisdiction or in any foreign jurisdiction, at the time of events, where the issuer:		
(i) has ever pleaded guilty to or been found guilty of an offence?		
(ii) is the subject of any current charge, indictment or proceeding for an 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.

	YES	NO
A. Have you, in any jurisdiction or in any 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 or have you <b>ever</b> been a director, officer, promoter, insider, or control person of an issuer, in any jurisdiction or in any 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?		

**8. PROCEEDINGS** – If you answer “YES” to any item in Question 8, you must provide complete details in an attachment.

	YES	NO
<b>A. CURRENT PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY OR PROFESSIONAL ORGANIZATION. Are you now, in any jurisdiction or in any foreign jurisdiction, the subject of:</b>		
(i) a notice of hearing or similar notice issued by a SRA?		
(ii) a proceeding or to your knowledge, under investigation, by an exchange or other self regulatory or professional organization?		
(iii) settlement discussions or negotiations for settlement of any nature or kind whatsoever with a SRA or any self regulatory or professional organization?		

	YES	NO
<b>B. PRIOR PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY OR PROFESSIONAL ORGANIZATION. Have you <u>ever</u>:</b>		
(i) been reprimanded, suspended, fined, been the subject of an administrative penalty, or otherwise been the subject of any disciplinary proceedings of any kind whatsoever, in any jurisdiction or in any foreign jurisdiction, by a SRA or self regulatory or professional organization?		
(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?		
(iii) been prohibited or disqualified under securities, corporate or any other legislation from acting as a director or officer of a reporting issuer?		
(iv) had a cease trading or similar order issued against you or an order issued against you that denied you the right to use any statutory prospectus or registration exemption?		
(v) had any other proceeding of any nature or kind taken against you?		

<b>C. SETTLEMENT AGREEMENT(S)</b>		
Have you ever entered into a settlement agreement with a SRA, self regulatory or professional organization, attorney general or comparable official or body, in any jurisdiction or in any 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 jurisdiction or in a foreign jurisdiction or the rules of any self regulatory or professional organization?		
<b>D. To the best of your knowledge, are you now or have you ever been a director, officer, promoter, insider, or control person of an issuer at the time of such event, in any jurisdiction or in any foreign jurisdiction, for which a securities regulatory authority or self regulatory or professional organization has:</b>		
(i) refused, restricted, suspended or cancelled the registration or licensing of an issuer to trade securities, exchange or commodity futures contracts, or to sell or trade real estate, insurance or mutual fund products?		
(ii) issued a cease trade or similar order or imposed an administrative penalty of any nature or kind whatsoever against the issuer, other than an order for failure to file financial statements that was revoked within 30 days of its issuance?		
(iii) refused a receipt for a prospectus or other offering document, denied any application for listing or quotation or any other similar application, or issued an order that denied the issuer the right to use any statutory prospectus or registration exemptions?		
(iv) issued a notice of hearing, notice as to a proceeding or similar notice against the issuer?		
(v) taken any other proceeding of any nature or kind against the issuer, including a trading halt, suspension or delisting of the issuer (other than in the normal course for proper dissemination of information, pursuant to a reverse takeover, backdoor listing or similar transaction)?		
(vi) entered into a settlement agreement with the issuer 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 by the issuer, or involved in any other violation of securities legislation in a jurisdiction or in a foreign jurisdiction or a self regulatory or professional organization's rules?		

**9. CIVIL PROCEEDINGS** – If you answer “YES” to any item in Question 9, you must provide complete details in an attachment.

	YES	NO
<b>A. JUDGMENT, GARNISHMENT AND INJUNCTIONS</b> Has a court in any jurisdiction or in any foreign jurisdiction:		
(i) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against <u>you</u> 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 <u>an issuer</u> , for 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 <u>you</u> now subject, in any jurisdiction or in any foreign jurisdiction, of 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 <u>an issuer</u> now subject, in any jurisdiction or in any foreign jurisdiction, of 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</b>		
(i) Have <u>you</u> ever entered into a settlement agreement, in any jurisdiction or in any 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 <u>an issuer</u> that has entered into a settlement agreement, in any jurisdiction or in any 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?		

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**CERTIFICATE AND CONSENT**

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I, \_\_\_\_\_ hereby certify that:  
(Please Print – Name of Individual)

(a) I have read and understood the questions, cautions, acknowledgement and consent in this Form, and the answers I have given to the questions in this Form and in any attachments to it are true and correct, except where stated to be to the best of my knowledge, in which case I believe the answers to be true;

(b) I have read and understand the Personal Information Collection Policy attached hereto as Schedule 2 (the “Personal Information Collection Policy”);

(c) I consent to the collection, use and disclosure of the information in this Form and to the collection, use and disclosure of further personal information in accordance with the Personal Information Collection Policy; and



(d) I understand that I am providing this Form to a regulator or, in Québec, the securities regulatory authority listed in Schedule 3 attached hereto and I am under the jurisdiction of the regulator or, in Québec, the securities regulatory authority to which I submit this Form, and it is a breach of securities legislation to provide false or misleading information to the regulator or, in Québec, the securities regulatory authority.

---

**Date [within 30 days of the date of the preliminary prospectus]**

---

**Signature of Person Completing this Form**

---

## SCHEDULE 2

### PERSONAL INFORMATION COLLECTION POLICY

The regulators or, in Québec, the securities regulatory authority listed in Schedule 3 collect the personal information in Schedule 1 under the authority granted to them under provincial and territorial securities legislation. Under securities legislation, the regulators and, in Québec, the securities regulatory authority do not make any of the information provided in Schedule 1 public.

The regulators and, in Québec, the securities regulatory authority collect the personal information in Schedule 1 for the purpose of enabling the regulators and, in Québec, the securities regulatory authority to administer and enforce provincial and territorial securities legislation, including those provisions that require or permit the regulators and, in Québec, the securities regulatory authority to refuse to issue a receipt for a prospectus if it appears to the regulators and, in Québec, the securities regulatory authority 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 Schedule 1, you are consenting to the Issuer submitting your personal information in Schedule 1 (the "Information") to the regulators and, in Québec, the securities regulatory authority and to the collection and use by the regulators and, in Québec, the securities regulatory authority 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.

You understand that the Issuer is required to deliver the Information to the regulators and, in Québec, the securities regulatory authority 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 and, in Québec, the securities regulatory authority, 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 and, in Québec, the securities regulatory authority collect about you may also be disclosed, as permitted by law, where its use and disclosure is for the purposes described above. The regulators and, in Québec, the securities regulatory authority 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 and, in Québec, the securities regulatory authority, you may contact the regulator or, in Québec, the securities regulatory authority in the jurisdiction in which the required information is filed, at the address or telephone number listed in Schedule 3.

**SCHEDULE 3****REGULATORS AND, IN QUÉBEC, SECURITIES REGULATORY AUTHORITY****Local Jurisdiction Regulator and, in Québec, securities regulatory authority**

		Nova Scotia	Deputy Director, Compliance and Enforcement Nova Scotia Securities Commission P.O. Box 458 Halifax, Nova Scotia B3J 2P8 Telephone: 902-424-5354 www.gov.ns.ca/nssc
Alberta	Securities Review Officer Alberta Securities Commission Suite 400 300 – 5th Avenue S.W. Calgary, Alberta T2P 3C4 Telephone: 403-297-6454 E-mail: inquiries@seccom.ab.ca www.albertasecurities.com	Nunavut	Government of Nunavut Legal Registries Division P.O. Box 1000 – Station 570 Iqaluit, Nunavut X0A 0H0 Telephone: 867-975-6590
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: 1-800-373-6393 E-mail: inquiries@bcsc.bc.ca www.bcsc.bc.ca	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: Inquiries@osc.gov.on.ca www.osc.gov.on.ca
Prince Edward Island	Deputy Registrar, Securities Division Shaw Building 95 Rochford Street, P.O. Box 2000, 4th Floor Charlottetown, Prince Edward Island C1A 7N8 Telephone: 902-368-4550 www.gov.pe.ca/securities	Québec	Autorité des marchés financiers 800, square Victoria, 22 <sup>e</sup> étage C.P. 246, tour de la Bourse Montréal (Québec) H4Z 1G3 Attention: Responsable de l'accès à l'information Telephone: 514-395-0337 Toll Free in Québec: 1-877-525-0337 www.lautorite.qc.ca
Manitoba	Director, Corporate Finance The Manitoba Securities Commission 500-400 St. Mary Avenue Winnipeg, Manitoba R3C 4K5 Telephone: 204-945-2548 E-mail: securities@gov.mb.ca www.msc.gov.mb.ca	Saskatchewan	Director Saskatchewan Financial Services Commission Suite 601, 1919 Saskatchewan Drive Regina, Saskatchewan S4P 4H2 Telephone: 306-787-5842 www.sfsc.gov.sk.ca
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: information@nbsc-cvmb.ca	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 www.gov.nf.ca/gsl/cca/s

Northwest Territories	Securities Registries Department of Justice Government of the Northwest Territories P.O. Box 1320, Yellowknife, Northwest Territories X1A 2L9 Telephone: 867-873- 7490 www.justice.gov.nt.ca/ SecuritiesRegistry SecuritiesRegistry.html
Yukon	Registrar of Securities Department of Justice Andrew A. Philipsen Law Centre 2130 – 2nd Avenue, 3rd Floor Whitehorse, Yukon Territory Y1A 5H6 Telephone: 867-667-5005

## APPENDIX B

### ISSUER FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE OF PROCESS

- Name of issuer (the “Issuer”):  
\_\_\_\_\_
- Jurisdiction of incorporation, or equivalent, of Issuer:  
\_\_\_\_\_
- Address of principal place of business of Issuer:  
\_\_\_\_\_
- Description of securities (the “Securities”):  
\_\_\_\_\_
- Date of the prospectus (the “Prospectus”) under which the Securities are offered:  
\_\_\_\_\_
- Name of agent for service of process (the “Agent”):  
\_\_\_\_\_
- Address for service of process of Agent in Canada (the address may be anywhere in Canada):  
\_\_\_\_\_
- 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.

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****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.

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 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

### 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 Regulation bear that definition or interpretation. Other definitions are set out in Regulation 14-101 respecting 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 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. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.*

(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 Policy Statement to Regulation 41-101 respecting General Prospectus Requirements made pursuant to decision no. (indicate the number and the date of the decision adopting this Policy Statement). 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 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 the Handbook). If it is more likely than not that a person 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.*

(8) *An issuer that is a special purpose vehicle 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 disclose the currency in which the financial information is disclosed.*

(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 regulation or form. Unless this Form states otherwise, issuers must also follow the instruction or requirement in the other regulation or form. These references include references to Form 51-102F2 of Regulation 51-102 respecting Continuous Disclosure Obligations. 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 that regulation.*

(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 of Regulation 51-102 respecting Continuous Disclosure Obligations, issuers may apply the general provision in subpart 1(d) of Form 51-102F2 of Regulation 51-102 respecting Continuous Disclosure Obligations. 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 included in a prospectus must comply with section 4A.2 of Regulation 51-102 respecting Continuous Disclosure Obligations and must include the disclosure described in section 4A.3 of Regulation 51-102 respecting Continuous Disclosure Obligations. In addition to the foregoing, FOPI or a financial outlook, each as defined in Regulation 51-102 respecting Continuous Disclosure Obligations, included in a prospectus must comply with Part 4B of Regulation 51-102 respecting Continuous Disclosure Obligations. 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 Regulation 51-102 respecting Continuous Disclosure Obligations apply as if the issuer or other entity were a reporting issuer in at least one jurisdiction.*

## **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 selling securityholders (c)
Per Security			
Total			

(2) If there may be an over allocation position,

(a) disclose that a purchaser who acquires securities 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, and

(b) describe the terms of any over-allotment option or an option to increase the size of the distribution before closing.

(3) If the distribution of the securities is to be on a best efforts basis, provide totals for both the minimum and maximum offering amount, if applicable.

(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 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 reporting 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 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 Regulation 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, 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 Regulation 33-105 respecting Underwriting Conflicts approved by Ministerial Order no. 2005-14 dated August 2, 2005 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 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.*

#### 1.12. International issuers

If the issuer, a selling securityholder, or any person required to provide a certificate under Part 5 of the Regulation or other securities legislation, 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, selling securityholder, or person providing a certificate under Part 5 of the Regulation or other securities legislation] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. Although [the person described above] has appointed [name(s) and address(es) of agent(s) for service] as its agent(s) for service of process in [list jurisdictions] it may not be possible for investors to enforce judgements obtained in Canada against [the person described above].”

#### 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)(c),

(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 constituting 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 sales and operating revenues of the subsidiary do not exceed 10% of the consolidated sales and operating revenues 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 used in the Handbook. Disclose information for each reportable segment of the issuer in accordance with subsection 5.1(1) of Form 51-102F2 of Regulation 51-102 respecting Continuous Disclosure Obligations.

(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 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 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. Three-year history

(1) Describe how the issuer's business has developed over the last three 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 of Regulation 51-102 respecting Continuous Disclosure Obligations.

## 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 of Regulation 51-102 respecting Continuous Disclosure Obligations.

## 5.5. Issuers with oil and gas operations

(1) If the issuer is engaged in oil and gas activities as defined in Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities, disclose information in accordance with Form 51-101F1 of Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities

(a) as at the end of, and for, the most recent financial year for which the prospectus includes an audited balance sheet 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 balance sheet of the issuer, and for the most recent financial period for which the prospectus includes an audited income statement of the issuer.

(2) Include with the disclosure under subsection (1) a report in the form of Form 51-101F2 of Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities, 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 of Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities 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 Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities in respect of material changes that occurred after the applicable balance sheet referred to in subsection (1).

### INSTRUCTION

*Disclosure in a prospectus must be consistent with Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities if the issuer is engaged in oil and gas activities as defined in Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities.*

## 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 subscription, provide disclosure of the use of proceeds for the minimum and maximum subscriptions.

## 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 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 of Regulation 51-102 respecting Continuous Disclosure Obligations or, in the case of an SEC issuer, a completed Form 51-102F1 of Regulation 51-102 respecting Continuous Disclosure Obligations or management's discussion and analysis prepared in accordance with Item 303 of Regulation S-K or Item 303 of Regulation S-B under the 1934 Act.

(2) For MD&A in the form of Form 51-102F1 of Regulation 51-102 respecting Continuous Disclosure Obligations, the issuer

(a) must read the references to a "venture issuer" in Form 51-102F1 of Regulation 51-102 respecting Continuous Disclosure Obligations to include an IPO venture issuer,

(b) must disregard

(i) the Instruction to section 1.11 of Form 51-102F1 of Regulation 51-102 respecting Continuous Disclosure Obligations, and

(ii) section 1.15 of Form 51-102F1 of Regulation 51-102 respecting Continuous Disclosure Obligations, and

(c) must include the disclosure required by section 1.10 of Form 51-102F1 of Regulation 51-102 respecting Continuous Disclosure Obligations 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 of Regulation 51-102 respecting Continuous Disclosure Obligations 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 statements of the issuer included in the prospectus under Item 32.

(2) If the prospectus includes the issuer's annual income statements, statements of retained earnings, and cash flow statements 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 balance sheet items.

### 8.3. SEC issuers

(1) If the issuer is an SEC issuer, for any MD&A that is included in the prospectus, include the disclosure prepared in accordance with subsection (2) if the issuer

(a) has based the discussion in the MD&A on financial statements prepared in accordance with U.S. GAAP, and

(b) is required by subsection 4.1(1) of Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency to provide a reconciliation to Canadian GAAP.

(2) In the disclosure required under subsection (1) restate, based on financial information of the issuer prepared in accordance with, or reconciled to, Canadian GAAP, those parts of the MD&A that

(a) are based on financial statements of the issuer prepared in accordance with U.S. GAAP, and

(b) would contain material differences if they were based on financial statements of the issuer prepared in accordance with Canadian GAAP.

### 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(1), 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) capitalized or expensed exploration and development costs,

(b) expensed research and development costs,

(c) deferred development costs,

(d) general and administrative expenses, and

(e) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (a) through (d).

(2) Present the analysis of capitalized or expensed exploration and development costs 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) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements 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 operating cash flow 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.

### **8.8. Additional disclosure for issuers with significant equity investees**

(1) An issuer that has a significant equity investee must disclose

(a) summarized information as to the assets, liabilities and results of operations of the equity investee, 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 earnings.

(2) Provide the disclosure in subsection (1) for the following periods:

(a) the two most recently completed financial years;

(b) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements 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 interim financial statements of the issuer have 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 or interim financial statements, and

(ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed, or otherwise retired since the date of the annual or interim financial statements 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 long-term financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual or interim financial statements,

(d) the repayment, redemption or other retirement of all long-term financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual or interim financial statements and all long-term financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities distributed under the prospectus, and

(e) the servicing costs that were incurred, or are expected to be incurred, in relation to the adjustments.

(3) If the issuer is distributing, or has outstanding, debt securities that are accounted for, in whole or in part, as equity, disclose in notes to the ratios required under subsection (1)

(a) that the ratios have been calculated excluding the carrying charges for those securities that have been reflected in equity in the calculation of the issuer's interest and dividend obligations,

(b) that if those securities had been accounted for in their entirety as debt for the purpose of calculating the ratios required under subsection (1), the entire amount of the annual carrying charges for those securities would have been reflected in the calculation of the issuer's interest and dividend obligations, and

(c) the earnings coverage ratios for the periods referred to in subsection (1), calculated as though those securities had been accounted for as debt.

(4) If the earnings coverage ratio is less than one-to-one, disclose in the prospectus the dollar amount of the earnings 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 earnings (the numerator) by its interest and dividend obligations (the denominator).*

(3) *For the earnings coverage calculation*

(a) *the numerator should be calculated using consolidated net income before interest and income taxes;*

(b) *imputed interest income from the proceeds of a distribution should not be added to the numerator;*

(c) *an issuer may also present, as supplementary disclosure, a coverage calculation based on earnings before discontinued operations and extraordinary items;*

(d) *for distributions of debt securities, the appropriate denominator is interest expense determined in accordance with the issuer's GAAP, after giving effect to the new debt issue and any retirement of obligations, plus the amount of interest that has 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 interest requirements, including the amount of interest that has 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 being offered pursuant to the prospectus.*

(4) *The denominator represents a pro forma calculation of the aggregate of an issuer's interest obligations on all long-term debt 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 long-term debt and, in addition in the case of an issuance of preferred shares, all preferred shares issued, since the date of the annual or interim financial statements;*

(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;*

(c) *the repayment or redemption of all long-term debt since the date of the annual or interim financial statements, all long-term debt 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 or interim financial statements and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus; and

(d) the servicing costs that were incurred, or will be incurred, in relation to the above adjustments.

(5) In certain circumstances, debt obligations may be classified as current liabilities because such obligations, by their terms, are due on demand, are due within one year, or are callable by the creditor. If the issuer is distributing, or has outstanding, debt securities that are classified as current liabilities, disclose

(a) in the notes to the ratios required under subsection 9.1(1) that the ratios have been calculated excluding the carrying charges for those debt securities reflected as current liabilities;

(b) that if those debt securities had been classified in their entirety as long term debt for the purposes of calculating the ratios under subsection 9.1(1), the entire amount of the annual carrying charges for such debt securities would have been reflected in the calculation of the issuer's interest and dividend obligations; and

(c) the earnings coverage ratios for the periods referred to in subsection 9.1(1), calculated as though those debt securities had been classified as long term debt.

(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 interest requirements, after giving effect to the issue of [the debt securities to be distributed under the prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]’s earnings before interest and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]’s interest 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 •%, amounted to \$• for

the 12 months ended •. [Name of the issuer]’s interest requirements for the 12 months then ended amounted to \$•. [Name of the issuer]’s earnings before interest and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]’s aggregate dividend and interest 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 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 referred 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) income 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).

(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 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 referred to in subsection (10).

(12) Describe the terms of any material relationships between

(a) any of the persons 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 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 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, 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 rescis-

sion 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 Regulation.

(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

If the issuer has asked for and received a stability rating, or if the issuer is aware that it has received any other kind of rating, including a provisional rating, from one or more approved rating organizations for the securities being distributed and the rating or ratings continue in effect, disclose

(a) each security rating, including a provisional rating or stability rating, received from an approved rating organization,

(b) the name of each approved rating organization that has assigned a rating for the securities to be distributed,

(c) a definition or description of the category in which each approved rating organization rated the securities to be distributed 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 to be distributed are not addressed by the rating,

(e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities to be distributed,

(f) a statement that a security 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 rating organization, and

(g) any announcement made by, or any proposed announcement known to the issuer that is to be made by, an approved 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.

### INSTRUCTION

*There may be factors relating to a security that are not addressed by a ratings agency when they give a rating. For example, in the case of cash settled derivatives, 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 an approved 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.*

### 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, other than the underwriter(s), naming each person.

(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 of securities of the issuer 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 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 each class of securities of the issuer 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 issuer 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 14 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

#### 14.1. Escrowed securities and securities subject to contractual restriction on transfer

(1) 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 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 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 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 of Regulation 51-102 respecting Continuous Disclosure Obligations 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 of Regulation 51-102 respecting Continuous Disclosure Obligations 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 of Regulation 51-102 respecting Continuous Disclosure Obligations 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 of Regulation 51-102 respecting Continuous Disclosure Obligations 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 of Regulation 51-102 respecting Continuous Disclosure Obligations 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 of Regulation 51-102 respecting Continuous Disclosure Obligations 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 of Regulation 52-110 respecting Audit Committees approved by Ministerial Order no. 2005-10 dated June 7, 2005, 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 of Regulation 52-110 respecting Audit Committees, 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 of Regulation 58-101 respecting Disclosure of Corporate Governance Practices approved by Ministerial Order no. 2005-11 dated June 7, 2005, 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 of Regulation 58-101 respecting Disclosure of Corporate Governance Practices, 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 [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.

### **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 Regulation, 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 Regulation 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, 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 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’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,



(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 making the determination referred to in subparagraph (i) and the person'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, 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 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 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. 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**

### **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 of Regulation 51-102 respecting Continuous Disclosure Obligations 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 listed in section 13.1 of Form 51-102F2 of Regulation 51-102 respecting Continuous Disclosure Obligations were or are to be an underwriter or are associates, affiliates or partners of a person 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 Regulation 33-105 respecting Underwriting Conflicts.

(2) For the purposes of subsection (1), “connected issuer” and “related issuer” have the same meanings as in Regulation 33-105 respecting Underwriting Conflicts.

**Item 26 Auditors, Transfer Agents and Registrars****26.1. Auditors**

State the name and address of the auditor of the issuer.

**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 Regulation, or

(b) that would be required to be filed under section 9.3 of the Regulation 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

(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.

**28.2. Interest of experts**

For each person referred to in section 28.1, provide the disclosure in accordance with section 16.2 of Form 51-102F2 of Regulation 51-102 respecting Continuous Disclosure Obligations, as of the date of the prospectus, as if that person were a person referred to in section 16.1 of Form 51-102F2 of Regulation 51-102 respecting Continuous Disclosure Obligations.

**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.”

## Item 31 List of Exemptions from Regulation

### 31.1. List of exemptions from Regulation

List all exemptions from the provisions of the Regulation, 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 Regulation.

## Item 32 Financial Statement Disclosure for Issuers

### 32.1. Interpretation of “issuer”

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 continuity of interests.

### 32.2. Annual financial statements

(1) Subject to section 32.4, include annual financial statements of the issuer consisting of

(a) an income statement, a statement of retained earnings, and a cash flow statement 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 balance sheet as at the end of the two most recently completed financial years described in paragraph (a), and

(c) notes to the financial statements.

(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) Notwithstanding 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) income statements, statements of retained earnings, and cash flow statements 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 income statements, statements of retained earnings, and cash flow statements are

included in the prospectus, the results of the entities or businesses, either separately or on a consolidated basis, total three years,

(b) balance sheets 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 balance sheets are included in the prospectus, the financial position of the entities or businesses, either separately or on a consolidated basis, total two years, and

(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.

### 32.3. Interim financial statements

(1) Include comparative interim financial statements 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) 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 statements referred to in subsection (1) must include

(a) a balance sheet as at the end of the interim period and a balance sheet as at the end of the immediately preceding financial year, if any,

(b) an income statement, a statement of retained earnings, and a cash flow statement, 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 a current financial year, an income statement and a cash flow statement, for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the preceding financial year, if any, and

(d) notes to the financial statements.

### 32.4. Exceptions to financial statement requirements

Despite section 32.2, an issuer is not required to include the following financial statements in a prospectus

(a) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, if the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus,

(b) the income statement, the statement of retained earnings, and the cash flow statement 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 income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the balance sheet 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 income statement, the statement of retained earnings, and the cash flow statement 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 income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the balance sheet 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 continuity of interest transaction, if the restated combined financial statements of the issuer and the other entity are included in the prospectus under paragraph 32.1(c).

### **32.5. Exceptions to audit requirement**

The audit requirement in section 4.2 of the Regulation 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, 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 statements 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.

### **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, revenues 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) sales or revenues;
- (ii) income from continuing operations;
- (iii) net earnings or loss; and
- (iv) unless the accounting principle

(iv) unless the accounting principles used to prepare the financial statements of the entity permits the preparation of the entity’s balance sheet 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.

(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 interim and annual consolidated 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 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.

(2) The requirements in sections 35.5 and 35.6 are not applicable to an initial distribution by prospectus by a Capital Pool Company, as that term is defined in TSX Venture Exchange Policy 2.4 entitled Capital Pool Companies, as amended from time to time.

(3) The audit requirement in section 4.2 of the Regulation 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 date of the acquisition, is determined to be a significant acquisition under section 8.3 of Regulation 51-102 respecting Continuous Disclosure Obligations, or

(b) if the issuer was not a reporting issuer in any jurisdiction on the date of the acquisition, would be determined to be a significant acquisition under section 8.3 of Regulation 51-102 respecting Continuous Disclosure Obligations, as if

(i) the issuer was a reporting issuer on the date of the acquisition,

(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 income 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 Regulation 51-102 respecting Continuous Disclosure Obligations did not apply,

(vi) references to "annual audited statements filed" meant "audited annual financial statements included in the long form prospectus", and

(vii) in subsection 8.3(15) of Regulation 51-102 respecting Continuous Disclosure Obligations, 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 Regulation 51-102 respecting Continuous Disclosure Obligations 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 date of acquisition**

(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 date of the acquisition,

(c) the acquisition is a significant acquisition, and

(d) the acquisition was completed 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 Regulation 51-102 respecting Continuous Disclosure Obligations, as if

(a) the issuer was a reporting issuer in at least one jurisdiction on the date of the acquisition,

(b) the business acquisition report was filed as at the date of the prospectus,

(c) the issuer was a venture issuer at the date of the acquisition, if the issuer is an IPO venture issuer,

(d) subsections 8.4(4) and 8.4(6) of Regulation 51-102 respecting Continuous Disclosure Obligations did not apply, and

(e) references to financial statements filed or required to be filed meant financial statements included in the prospectus.

#### **35.4. Results 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 operations 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 of Regulation 51-102 respecting Continuous Disclosure Obligations, 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 date of acquisition, 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 Regulation 51-102 respecting Continuous Disclosure Obligations,

(b) if the issuer was not a reporting issuer in any jurisdiction on the date of acquisition, 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 of Regulation 51-102 respecting Continuous Disclosure Obligations, 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 Regulation 51-102 respecting Continuous Disclosure Obligations, as if the date of the acquisition 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 date of the acquisition 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 and interim financial statements of a business or related businesses for a financial period that ended before the date of the acquisition 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 to 19, 21 to 25, 27, 28, and 32.

## **Item 37 Certificates**

### **37.1. Certificates**

Include the certificates required by Part 5 of the Regulation 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.

## **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 Regulation must bear that definition or interpretation. Other definitions are set out in Regulation 14-101 respecting 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. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.*

(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 Policy Statement to Regulation 41-101 respecting 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. However, scholarship plans may make modifications to the disclosure items in order to reflect the special nature of their investment structure and distribution mechanism.

(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 subsidiaries and investees. If it is more likely than not that a person will become a subsidiary or investee, it may be necessary to also include disclosure with respect to the person. For this purpose, subsidiaries and 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 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, including any options or warrants, 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, scholarship plan 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			

(3) If there is an over-allotment option or an option to increase the size of the distribution before closing,

(a) disclose that a purchaser who acquires securities 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, and

(b) describe the terms of the option.

(4) If the distribution of the securities is to be on a best efforts basis, provide totals for both the minimum and maximum offering amount, if applicable.

(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 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 reporting 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 Regulation 33-105 respecting Underwriting Conflicts for front page prospectus disclosure.

(3) Other than a labour sponsored or venture capital fund, commodity pool or scholarship plan, 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 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. Non-Canadian Manager

If the investment fund manager is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following with the bracketed information completed:

“The manager is incorporated, continued or otherwise governed under the laws of a foreign jurisdiction or resides outside Canada. Although the manager has appointed [name and address of agent for service] as its agent for service of process in Canada, it may not be possible for investors to realize on judgements obtained in Canada against the manager.”

### 1.15. Documents Incorporated by Reference

For an investment fund in continuous distribution, other than a scholarship plan, state in substantially the following words:

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

- the most recently filed annual financial statements;
- any interim financial statements 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 any restrictions and the maximum amount of leverage the fund could use expressed as a ratio as follows: (total long positions including leveraged positions plus total short positions) divided by the net assets of 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.

### 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 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:

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 investment fund or insider of investment fund 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** [for scholarship plans, Fees and Expenses payable by Subscribers’ Deposits]

<u>Type of Fee</u>	<u>Amount and Description</u>
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**Fees and Expenses Payable Directly by You**

<u>Type of Fee</u>	<u>Amount and Description</u>
--------------------	-------------------------------

(3) Describe the following fees and expenses in the table referred to in subsection (2):

**Fees and Expenses Payable by the Fund or by Subscribers’ Deposits (for scholarship plans)**

(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) Under the sub-heading “Annual Returns and Management Expense Ratio”, provide, in the following table, returns for each of the past five years and the management 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]	[specify year]
Annual Returns					
MER					

“MER” means management expense ratio.

**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 constating 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 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 any restrictions and the maximum amount of leverage the fund can use, expressed as a ratio as follows: (total long positions including leveraged positions plus total short positions) divided by the net assets of 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.

## 6.2. 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 invest 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.

**Significant Holdings of the** [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 to 6 of Part B of Form 81-106F1 of Regulation 81-106 respecting Investment Fund Continuous Disclosure 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 and Management Expense Ratio

Under the heading “Annual Returns and Management Expense Ratio”, provide, in the following table, returns for each of the past five years and the management 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]	[specify year]
Annual Returns					
MER					

“MER” means management expense ratio.

## 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) If derivatives are to be used by the investment fund for non-hedging purposes, describe the risks associated with any use or intended use by the investment fund of derivatives.

(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.

**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) If applicable, 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 investment fund of the purchase order.

(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**

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,

(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.

**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, to permit short-term trades in securities of the investment fund, including the name of such person 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 selling securityholder,

(b) the number of securities issued at that price, and

(c) the date on which the securities were issued.

### **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) state the number and percentage of securities of each class of voting securities of the investment fund or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by all directors and executive officers of the investment fund as a group,

(d) disclose the board committees of the investment fund and identify the members of each committee,

(e) if the principal occupation of a director or executive officer of the investment fund is acting as an executive officer of a person other than the investment fund, disclose that fact and state the principal business of the person, 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 investment fund, 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 the investment fund

(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 investment fund 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.

#### **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.*

#### **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.

#### **19.3. Conflicts of Interest**

Under the sub-heading “Conflicts of Interest”, disclose particulars of existing or potential material conflicts of interest between

(1) the investment fund and a director or executive officer of the investment fund,

(2) the investment fund and the manager or any director or executive officer of the manager of the investment fund, and

(3) 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 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 or of a subsidiary of the investment fund, state under the sub-heading “Promoter”

(a) the person’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 or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the person,

(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 or from a subsidiary of the investment fund, and the nature and amount of any assets, services or other consideration received or to be received by the investment fund or a subsidiary of 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 or by a subsidiary of 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 making the determination referred to in subparagraph (i) and the person'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, 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 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 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. 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.*

## **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, 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 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 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 dividends and restrictions against giving security on the assets of the investment fund 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 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. Derivatives

If derivatives 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 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.

### 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 the 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 Regulation.

(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**

If the investment fund has asked for and received a stability rating, or if the investment fund is aware that it has received any other kind of rating, including a provisional rating, from one or more approved rating organizations for the securities being distributed and the rating or ratings continue in effect, disclose

(a) each security rating, including a provisional rating or stability rating, received from an approved rating organization,

(b) the name of each approved rating organization that has assigned a rating for the securities to be distributed,

(c) a definition or description of the category in which each approved rating organization rated the securities to be distributed 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 to be distributed are not addressed by the rating,

(e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities to be distributed,

(f) a statement that a security 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 rating organization, and

(g) any announcement made by, or any proposed announcement known to the investment fund that is to be made by, an approved 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.

### **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 Regulation, 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 Regulation 33-105 respecting Underwriting Conflicts.

(2) For the purposes of subsection (1), “connected issuer” and “related issuer” have the same meanings as in Regulation 33-105 respecting Underwriting Conflicts.

## Item 27 Options to Purchase Securities

### 27.1. Options to Purchase Securities

(1) Under the heading “Options to Purchase Securities”, state, in tabular form, as at a specified date within 30 days before the date of the prospectus or pro forma prospectus, information about options to purchase securities of the investment fund, or a subsidiary of the investment fund, that are held or will be held upon completion of the distribution by

(a) all executive officers and past executive officers of the investment fund, as a group, and all directors and past directors of the investment fund 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 investment fund, 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 investment fund as a group,

(d) all other employees and past employees of subsidiaries of the investment fund as a group,

(e) all consultants of the investment fund as a group, and

(f) any other person, other than the underwriter(s), naming each person.

(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 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 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 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 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 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 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 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 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 listed under section 29.1 were or are to be an underwriter or are associates, affiliates or partners of a person 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 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 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 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 or its subsidiaries.*

(6) *Describe all transactions not excluded above that involve remuneration (including an issuance of securities), directly or indirectly, to any of the specified persons for services in any capacity unless the interest of the person 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 Regulation 81-106 respecting Investment Fund Continuous Disclosure.



## 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

(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.

### 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 whose profession or business gives authority to a statement made by the person 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 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.

#### 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 Regulation.

## 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

If the investment fund is a mutual fund, under the heading “Purchasers’ Statutory Rights of Withdrawal and Rescission” include a statement in substantially the following form:

“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.”

### 36.3. 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, other than a scholarship plan, 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 comparative annual financial statements of the investment fund, together with the accompanying report of the auditor.

2. Any interim financial statements of the investment fund filed after those annual financial statements.

3. The most recently filed annual management report of fund performance of the investment fund.

4. 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, other than a scholarship plan, 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 Regulation 81-106 respecting Investment Fund Continuous Disclosure 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 Regulation 81-106 respecting Investment Fund Continuous Disclosure 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 balance sheet of the investment fund, accompanied by the auditor's report prepared in accordance with Regulation 81-106 respecting Investment Fund Continuous Disclosure.

### **38.2. Interim Financial Statements**

Unless incorporated by reference under Item 37, include in the prospectus financial statements for the investment fund prepared in accordance with Regulation 81-106 respecting Investment Fund Continuous Disclosure 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 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 or a subsidiary 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.

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## Draft Regulations

### Draft Regulation

Police Act  
(R.S.Q., c. P-13.1)

#### Police services

#### — Police services that municipal police forces and the Sûreté du Québec must provide according to their level of jurisdiction

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting the police services that municipal police forces and the Sûreté du Québec must provide according to their level of jurisdiction, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to replace Schedule G to the Police Act in accordance with section 353.12 of that Act. Schedule G lists the various services that a police force must provide according to the level applicable to it, on the basis of the population to be served. The draft Regulation seeks to better reflect the specific needs of the population served and improve the efficiency of police forces and the coordination of the services provided by them according to the applicable level of jurisdiction.

Study of the matter has revealed no financial impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Sophie Cayouette, Direction de l'organisation et des pratiques policières, ministère de la Sécurité publique, 2525, boulevard Laurier, 4<sup>e</sup> étage, Québec (Québec) G1V 2L2; telephone: 418 644-3461; fax: 418 646-3564.

Any interested person wishing to comment on the matter may submit written comments to Jacques P. Dupuis, Minister of Public Security, 2525, boulevard Laurier, 5<sup>e</sup> étage, Québec (Québec) G1V 2L2, within the 45-day period.

JACQUES P. DUPUIS,  
*Minister of Public Security*

### Regulation respecting the police services that municipal police forces and the Sûreté du Québec must provide according to their level of jurisdiction

Police Act  
(R.S.Q., c. P-13.1, s. 81)

#### CHAPTER I GENERAL

**1.** Municipal police forces and the Sûreté du Québec must provide police services in accordance with the level applicable to them under sections 70 and 71 of the Police Act (R.S.Q., c. P-13.1) as set out in the following chapter. The Sûreté du Québec provides services of a higher level than those required of municipal police forces as well as level 6 services.

#### CHAPTER II POLICE SERVICES PER LEVEL

**2.** Level 1 (population less than 100,000) consists of the following services:

##### 1° Policing

(a) round-the-clock patrol;

(b) response to any request for help from a citizen within a reasonable time and dispatching;

(c) road patrolling;

(d) enforcement of the Act respecting off-highway vehicles (R.S.Q., c. V-1.2) and off-road vehicle and snowmobile trail patrol;

(e) recreational boating safety;

(f) transportation of accused persons;

(g) hit and run incidents;

(h) prevention programs;

(i) crime scene securing;

(j) containment.

## 2° Investigations

Subject to the obligations corresponding to higher levels, the criminal or penal offences under the jurisdiction of police forces consist of the following:

- (a) kidnapping;
- (b) sexual assault;
- (c) sexual offences;
- (d) child pornography when caught in the act;
- (e) assault;
- (f) fatal work injury, in cooperation with the Sûreté du Québec;
- (g) robbery;
- (h) taxing;
- (i) extortion of vulnerable persons or persons who depend on their family circle;
- (j) breaking and entering;
- (k) fire;
- (l) auto theft;
- (m) production, trafficking and possession of illicit drugs at local or street level;
- (n) street prostitution;
- (o) bad cheques, credit card or debit card fraud;
- (p) scams, false pretences, false statements;
- (q) theft and possession of stolen goods;
- (r) offence-related property;
- (s) vehicle accidents;
- (t) mischief;
- (u) criminal offence causing death or life-threatening bodily injuries, committed while driving a vehicle, in cooperation with the Sûreté du Québec;
- (v) reckless driving;
- (w) impaired driving;

- (x) street gang crime;
- (y) suspicious object or bomb threat, if negative;
- (z) weapons and discovery of explosives;
- (aa) use of counterfeit money;
- (bb) death under mysterious circumstances;
- (cc) death or bodily harm threatening the life of a child under three years of age, in cooperation with the Sûreté du Québec;
- (dd) disappearances;
- (ee) runaways.

## 3° Emergency measures

- (a) peaceful crowd control;
- (b) rescue operations;
- (c) forest search and rescue;
- (d) emergency response to local disaster.

## 4° Support services

- (a) crime scene dusting and photography;
- (b) production and pooling of tactical and operational criminal intelligence relating to persons, groups or phenomena affecting their territory;
- (c) significant contribution to criminal intelligence exchanges between police forces and bodies in charge of enforcing the law;
- (d) management of human sources of intelligence;
- (e) routine contribution to the Violent Crime Linkage Analysis System (ViCLAS), the Québec criminal intelligence data bank and the Sûreté du Québec fingerprint bank;
- (f) detention;
- (g) custody of exhibits;
- (h) court liaison;
- (i) taking of a bodily substance for forensic DNA analysis;



- (j) warrant management and tracking of individuals;
- (k) police records management;
- (l) public affairs;
- (m) Québec Police Intelligence Centre (QPIC) input and retrieval;
- (n) internal affairs;
- (o) technical equipment and use of force instructor;
- (p) services of a breath analysis expert;
- (q) bertillonage;
- (r) information collection for the registration of sex offenders under the Sex Offender Information Registration Act (S.C. 2004, c. 10);
- (s) low-risk dynamic intervention;
- (t) entry of data in the Québec data bank on recovered firearms.

**3.** Level 2 (population ranging from 100,000 to 199,999 or less if it is part of a municipality referred to in section 71 of the Act) consists of the following services, in addition to the services listed for Level 1:

**1° Investigations**

- (a) murder with imminent arrest;
- (b) criminal negligence causing death;
- (c) attempted murder;
- (d) fatal work injury;
- (e) financial institution or armoured car robbery;
- (f) fire involving fatality;
- (g) series of fires;
- (h) major fire involving commercial, industrial, institutional, government or community buildings;
- (i) commercial or real estate fraud;
- (j) illegal lottery;
- (k) criminal offence causing death or life-threatening bodily injuries, committed while driving a vehicle;

- (l) production, trafficking and possession of illicit drugs involving suppliers of local or street dealers;
- (m) freight theft;
- (n) criminal offence committed by a crime ring;
- (o) keeping a common gaming or betting house and cheating;
- (p) counterfeit money offences.

**2° Emergency measures**

- (a) crowd control involving risk of disturbance.

**3° Support services**

- (a) crime scene and criminal identification expert;
- (b) fire scene expert;
- (c) reconstructionist (collision investigation);
- (d) vehicle identification;
- (e) computer-generated composite sketching;
- (f) production and pooling of strategic criminal intelligence relating to persons, groups or phenomena affecting their territory.

**4.** Level 3 (population ranging from 200,000 to 499,999) consists of the following services, in addition to the services listed for Level 1 and Level 2:

**1° Investigations**

- (a) murder;
- (b) life-threatening kidnapping;
- (c) extortion;
- (d) fatal aircraft accident;
- (e) proceeds of crime;
- (f) production, trafficking and possession of illicit drugs involving high-level suppliers;
- (g) gang crime corresponding to applicable service level;

(h) criminal offence committed by criminal organizations operating on an inter-regional basis, in cooperation with the Sûreté du Québec;

(i) child pornography;

(j) procuring;

(k) common bawdy-house;

(l) event involving a police force, upon request by the Minister;

(m) computer data mischief or theft;

(n) theft, illegal use or possession of explosives without lawful excuse;

(o) death or bodily harm threatening the life of a child under three years of age.

## 2° Emergency measures

(a) Intervention involving armed and barricaded suspect (no shots fired, no hostages).

## 3° Support services

(a) physical surveillance;

(b) database retrieval;

(c) infiltration;

(d) analysis of pure version statements;

(e) dog team (drugs, guarding and tracking);

(f) special unit;

(g) moderate-risk intervention;

(h) return to Québec of an individual who has contravened a decision or order of the Commission d'examen des troubles mentaux.

**5.** Level 4 (population ranging from 500,000 to 999,999) consists of the following services, in addition to the services listed for Levels 1, 2 and 3:

## 1° Investigations

(a) murder or attempted murder committed by criminal organizations operating on an inter-regional basis, in cooperation with the Sûreté du Québec.

## 2° Emergency measures

(a) crowd control involving high risk of disturbance or riot, in cooperation with the Sûreté du Québec;

(b) intervention involving barricaded and armed suspect, and shots fired.

## 3° Support services

(a) electronic surveillance;

(b) high-risk intervention;

(c) special weapons and tactics team.

**6.** Level 5 (population 1,000,000 or more) consists of the following services, in addition to the services listed for Levels 1, 2, 3 and 4:

## 1° Policing

(a) recreational boating safety on the St. Lawrence River.

## 2° Investigations

(a) terrorist incident management;

(b) importation and exportation of illicit drugs, in cooperation with the Sûreté du Québec;

(c) weapons and explosives trafficking;

(d) extraprovincial kidnapping;

(e) betting and bookmaking;

(f) criminal offence committed by a ring operating on an inter-regional basis;

(g) judicial or municipal civil servant corruption;

(h) commercial or real estate fraud committed by a person or an entity referred to in the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (S.C. 2000, c. 17) and its regulations.

## 3° Emergency measures

(a) helicopter operations;

(b) crowd control involving high risk of disturbance or riot;

(c) intervention involving hostages or an active shooter.

#### 4° Support services

- (a) underwater diving;
- (b) defusing and handling of explosives (explosives experts);
- (c) infiltration at top level of criminal organization;
- (d) polygraph and hypnosis;
- (e) dog team (explosives);
- (f) operations security intelligence;
- (g) evaluation and protection of justice collaborators;
- (h) video interrogation support;
- (i) use of undercover civil agents.

**7.** Level 6 establishing the jurisdiction of the Sûreté du Québec consists of the following services, in addition to the services listed for Levels 1, 2, 3, 4 and 5:

#### 1° Investigations

- (a) coordination of investigations during unusual events;
- (b) coordination of investigations of murders and assaults by predator;
- (c) police cooperation to counter organized crime;
- (d) crime relating to State revenues, security or integrity;
- (e) coordination of investigations of series of fires at inter-regional level;
- (f) criminal offence by a ring operating in and outside Québec;
- (g) misappropriation of funds;
- (h) fraudulent securities transactions;
- (i) crime within provincial or federal detention centres;

(j) cybersurveillance;

(k) international judicial cooperation.

#### 2° Emergency measures

(a) coordination of recovery operations and maintenance of order during emergencies or civil disturbances of provincial scope.

#### 3° Support services

- (a) protection of international VIPs;
- (b) protection of the National Assembly;
- (c) State security investigations and intelligence;
- (d) security and integrity of government computer systems;
- (e) ViCLAS coordination;
- (f) criminal profiling;
- (g) composite sketching;
- (h) specialized criminal identification;
- (i) centralized fingerprint database;
- (j) Interpol liaison;
- (k) QPIC management;
- (l) permanent emergency service unit;
- (m) coordination and registration of information in the National Sex Offender Registry.

**8.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

8587

## Draft Regulation

Professional Code  
(R.S.Q., c. C-26)

### Architects

#### — Conciliation and arbitration procedure for accounts — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R 18.1), that the Regulation to amend the Regulation respecting the conciliation and arbitration procedure for the accounts of members of the Ordre professionnel des architectes du Québec, made by the Bureau of the Ordre des architectes du Québec, may be submitted to the Government which may approve it, with or without amendment, on the expiry of 45 days following this publication.

The main purpose of the draft Regulation is to simplify the application of the current regulation and to reduce the costs and time periods related to the conciliation and arbitration procedure for the accounts of the Ordre des architectes du Québec.

The Ordre des architectes du Québec advises that the Regulation will have no impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Jean-Pierre Dumont, Secretary, Ordre des architectes du Québec, 1825, boulevard René-Lévesque Ouest, Montréal (Québec) H3H 1R4; telephone: 514 937-6168; fax: 514 933-0242.

Any person wishing to comment on the draft Regulation may submit written comments to the Chair of the Office des professions du Québec, 800, place D'Youville, 10<sup>e</sup> étage, Québec (Québec) G1R 5Z3, within the 45-day period. The comments will be forwarded by the Office to the Minister responsible for the administration of legislation respecting the professions and may also be sent to the professional order that made the Regulation and to interested persons, departments and bodies.

JEAN PAUL DUTRISAC,  
*Chair of the Office des  
professions du Québec*

## Regulation to amend the Regulation respecting the conciliation and arbitration procedure for the accounts of members of the Ordre professionnel des architectes du Québec \*

Professional Code  
(R.S.Q., c. C-26, s. 88)

**1.** The Regulation respecting the conciliation and arbitration procedure for the accounts of members of the Ordre professionnel des architectes du Québec is amended by replacing section 1 by the following:

“**1.** A client who has a dispute with an architect concerning the amount of an account for professional services that has been paid in whole or in part may file a written application for conciliation with the secretary of the Order within 120 days of the date of receipt of the account.

On receiving an application for conciliation, the secretary of the Order shall send a copy of this Regulation to the client and designate a conciliator.

The conciliator shall be designated from among the persons registered on a list drawn up for that purpose by the Bureau.”.

**2.** Section 2 is replaced by the following:

“**2.** Where an architect has withdrawn or withheld sums as payment of an account from funds the architect holds or has received for or on behalf of the client, the time limit to apply for conciliation of the account runs from the time the client becomes aware that such sums have been withdrawn or withheld.”.

**3.** Section 3 is amended by replacing “the member and his” by “an architect and the architect’s”.

**4.** Section 4 is amended

(1) by replacing “A member” by “An architect”;

(2) by replacing “45-day period” by “120-day period”.

\* The Regulation respecting the conciliation and arbitration procedure for the accounts of members of the Ordre professionnel des architectes du Québec, approved by Order in Council 164-93 dated 10 February 1993 (1993, *G.O.* 2, 832), has not been amended since.

**5.** Section 5 is replaced by the following:

“5. Within 10 days of receiving an application for conciliation, the secretary of the Order shall notify the architect concerned in writing. If the architect cannot be informed personally, a notice sent to the architect’s office is deemed to have been given to the architect.

Once the secretary of the Order has received the application for conciliation, the architect may not institute proceedings to recover the account so long as the dispute may be settled by conciliation or arbitration.

Despite the foregoing, an architect may request provisional measures in accordance with article 940.4 of the Code of Civil Procedure (R.S.Q., c. C-25).”

**6.** Section 7 is amended by replacing “the member” by “the architect”.**7.** Section 8 is amended

(1) by replacing “member” wherever it appears by “architect”;

(2) by striking out “by registered or certified mail” in the first paragraph;

(3) by replacing “a settlement” in subparagraph 3 of the second paragraph by “settlement”;

(4) by adding the following paragraph at the end:

“The conciliation report referred to in this section is confidential. The conciliation report may not be invoked in connection with a judicial proceeding or arbitration, including arbitration under Division II initiated for the recovery of an account, unless both parties consent.”

**8.** Section 9 is amended

(1) by adding “together with the amount that the client acknowledges owing, if any” at the end of the first paragraph;

(2) by replacing the second paragraph by the following:

“Where the application for arbitration is filed after the expiry of the period referred to in the first paragraph, arbitration may be held under this Regulation if both parties consent in writing and not more than 90 days have elapsed since the receipt of the conciliation report.”

**9.** Section 10 is replaced by the following:

“10. The secretary of the Order shall, within 10 days of receiving an application for arbitration, notify the architect concerned in writing and send a copy of the application for arbitration to the architect. If the architect cannot be informed personally, a notice sent to the architect’s office is deemed to have been given to the architect.”

**10.** Section 11 is replaced by the following:

“11. An application for arbitration may not be withdrawn unless it is withdrawn in writing with the consent of the architect.”

**11.** Section 12 is amended

(1) by replacing “A member” in the first paragraph by “An architect” and by striking out “, who shall then remit it to the client”;

(2) by striking out the second paragraph.

**12.** The following is inserted after section 12:

“12.1. The amount deposited pursuant to section 9 or 12 shall be remitted by the secretary of the Order to the party in whose favour the acknowledgment has been made.

In that case, the arbitration shall proceed and pertain only to the amount still in dispute.”

**13.** Section 14 is amended

(1) by replacing “\$2 500” wherever it appears by “\$10,000”;

(2) by adding the following paragraph at the end:

“In the first case, the dispute may also be heard by a single arbitrator, at the request of all the parties.”

**14.** Section 15 is replaced by the following:

“15. The administrative committee shall appoint the member or members of the council of arbitration from among the members of the Order and, if the council is composed of three arbitrators, shall designate the chair of the council.

Despite the first paragraph, where the council of arbitration is composed of three arbitrators, one of them may be a person other than an architect.”

**15.** Section 16 is replaced by the following:

“**16.** Before acting, the members of the council of arbitration shall take the oath in Schedule II to the Professional Code (R.S.Q., c. C-26).”

**16.** Section 27 is replaced by the following:

“**27.** In its award, the council of arbitration may uphold or reduce the amount of the account in dispute, and may also determine the reimbursement, if any, to which a party may be entitled. For those purposes, the arbitration council may take into consideration the quality of services rendered.”

**17.** Section 28 is replaced by the following:

“**28.** In its award, the council of arbitration shall award arbitration expenses, which are the expenses incurred by the Order for the arbitration. Despite the foregoing, the total amount of the arbitration expenses may in no case exceed 15% of the amount to which the arbitration pertains.

Where the account in dispute is upheld in whole or in part, or where a reimbursement is granted, the council of arbitration may add interest and an indemnity calculated in accordance with articles 1618 and 1619 of the Civil Code from the date of the application for conciliation.

Where an agreement is reached between the parties before the arbitration award, the council shall nevertheless award arbitration expenses in accordance with this section.”

**18.** Section 29 is replaced by the following:

“**29.** The arbitration award is final, without appeal, is binding on the parties and is subject to compulsory execution in accordance with articles 946 to 946.6 of the Code of Civil Procedure.”

**19.** Section 30 is replaced by the following:

“**30.** The arbitration award shall be filed with the secretary of the Order who shall send it to each party or to their advocates and to the syndic within 10 days after being filed.”

**20.** Schedule I is amended

(1) by replacing “member’s name” and “name of member” by “architect’s name”;

(2) by striking out paragraph 2.

**21.** Schedule II is revoked.

**22.** The provisions that this Regulation replaces, amends or revokes continue to apply to an application for conciliation received by the conciliator or to an application for arbitration received by the secretary of the Order before (*insert the date of coming into force of this Regulation*).

**23.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

8580

**Draft Regulation**

Professional Code  
(R.S.Q., c. C-26)

**Certified management accountants  
— Legal authorizations to practise the profession  
outside Québec that give access to the permit issued  
by the Ordre professionnel**

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting legal authorizations to practise as a certified management accountant outside Québec that give access to the permit issued by the Ordre professionnel des comptables en management accrédités du Québec, adopted by the Bureau of the Ordre des comptables en management accrédités du Québec, may be submitted to the Government, which may approve it with or without amendment on the expiry of 45 days following this publication.

The Regulation determines, pursuant to paragraph *q* of section 94 of the Professional Code (R.S.Q., c. C-26), the legal authorizations to practise as a certified management accountant outside Québec that give access to the permit issued by the Ordre professionnel des comptables en management accrédités du Québec.

The Ordre des comptables en management accrédités du Québec advises that the Regulation has no impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Isabelle F. LeBlanc, Secretary General of the Ordre des comptables en management accrédités du Québec, 715, rue du Square-Victoria, 3<sup>e</sup> étage, Montréal (Québec) H2Y 2H7; telephone: 514 849-1155 or 1 800 263-5390; fax: 514 849-9674; e-mail: i.leblanc@cma-quebec.org



Any person wishing to comment on the draft Regulation may submit written comments to the Chair of the Office des professions du Québec, 800, place D'Youville, 10<sup>e</sup> étage, Québec (Québec) G1R 5Z3, within the 45-day period. The comments will be forwarded by the Office to the Minister responsible for the administration of legislation respecting the professions and may also be sent to the professional order that made the Regulation and to interested persons, departments and bodies.

JEAN PAUL DUTRISAC,  
*Chair of the Office  
des professions du Québec*

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### **Regulation respecting legal authorizations to practise as a certified management accountant outside Québec that give access to the permit issued by the Ordre professionnel des comptables en management accrédités du Québec**

Code des professions  
(R.S.Q., c. C-26, s. 94, par. q)

**1.** A legal authorization to practise as a certified management accountant issued in another province or Canadian territory gives access to the permit issued by the Ordre professionnel des comptables en management accrédités du Québec.

**2.** To obtain a permit from the Order for the purpose of practising as a certified management accountant in Québec, a person holding a legal authorization referred to in section 1 to practise as a certified management accountant must make a written application to the secretary of the Order, submit proof that he or she holds the legal authorization and pay the file examination fees required pursuant to paragraph 8 of section 86.0.1 of the Professional Code (R.S.Q., c. C-26).

**3.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

8591

## **Draft Regulation**

Professional Code  
(R.S.Q., c. C-26)

### **Court bailiffs**

— **Equivalence standards for the issue of permits**  
— **Amendments**

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting equivalence standards for the issue of permits by the Chambre des huissiers de justice du Québec, made by the Bureau de la Chambre des huissiers de justice du Québec, may be submitted to the Government which may approve it, with or without amendment, on the expiry of 45 days following this publication.

The purpose of the Regulation is to modify, pursuant to paragraph c.1 of section 93 of the Professional Code (R.S.Q., c. C-26), the equivalence recognition procedure to enable a decision to be reviewed by persons other than those who made it.

The Order advises that the amendments have no impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Ronald Dubé, Director General and Secretary, Chambre des huissiers de justice du Québec, 390, boulevard Henri-Bourassa Ouest, Montréal (Québec) H3L 3T5; telephone: 514 721-1100; fax: 514 721-7878; email: [dgs@huissiersquebec.qc.ca](mailto:dgs@huissiersquebec.qc.ca)

Any person wishing to comment on the draft Regulation may do so in writing to the Chair of the Office des professions du Québec, 800, place D'Youville, 10<sup>e</sup> étage, Québec (Québec) G1R 5Z3, within the 45-day period. The comments will be forwarded by the Office to the Minister responsible for the administration of legislation respecting the professions and may also be sent to the professional order that made the Regulation as well as to interested persons, departments and bodies.

*Chair of the Office des  
professions du Québec,*  
JEAN PAUL DUTRISAC

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## Regulation to amend the Regulation respecting equivalence standards for the issue of permits by the Chambre des huissiers de justice du Québec\*

Professional Code  
(R.S.Q., c. C-26, s. 93, pars. c and c.1)

**1.** The Regulation respecting equivalence standards for the issue of permits by the Chambre des huissiers de justice du Québec is amended by striking out “the Bureau of” wherever it appears in the second paragraph of section 1.

**2.** Section 5 is amended by replacing “the Bureau is to take into particular account the following factors” in the second paragraph by “the following factors are to be taken into particular account”.

**3.** Section 10 is amended by adding the following at the end: “The Bureau must also inform the candidate of his or her right to apply for a review of the decision in accordance with section 11.”.

**4.** Section 11 is replaced by the following:

“**11.** A candidate who is informed of the Bureau’s decision not to grant the equivalence applied for may apply for a review, provided that the candidate applies to the secretary within 30 days of receiving the decision.

The committee formed by the Bureau to examine review applications is composed of persons other than members of the Bureau or the committee referred to in section 8.

Before disposing of the review application, the committee must inform the candidate of the date of the meeting at which the review application will be examined and of the candidate’s right to make submissions.

A candidate who wishes to be present at the meeting to make submissions must notify the secretary at least five days before the date set for the meeting. The candidate may, however, send written submissions to the secretary at any time before the date set for the meeting.

The written decision of the committee is final and must be sent to the candidate by registered mail within 30 days after the date of the meeting.”.

**5.** Section 11, as introduced by section 4 of this Regulation, applies to a decision made before (*insert the date of coming into force of this Regulation*) pursuant to section 9 of the Regulation respecting equivalence standards for the issue of permits by the Chambre des huissiers de justice du Québec, approved by Order in Council 504-2006 dated 7 June 2006, if the review period provided for in section 11 of the Regulation, as it reads before (*insert the date of coming into force of this Regulation*) has not expired on the date of coming into force of this Regulation, and also applies to a review application in respect of which a decision has not been made before that date.

**6.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

8590

## Draft Regulation

Professional Code  
(R.S.Q., c. C-26)

### Dentists

- Specialties
- Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the “Regulation to amend the regulation respecting specialties and the terms and conditions for the issue of specialist’s certificates by the Ordre des dentistes du Québec”, made by the Bureau of the Ordre des dentistes du Québec, may be submitted to the Government which could approve it with or without amendment, on the expiry of 45 days following this publication.

The Draft Regulation amends the Regulation respecting specialties and the terms and conditions for the issue of specialist’s certificates by the Ordre des dentistes du Québec in order to replace the current “oral medicine” specialty, which comprises three options, into three autonomous specialties corresponding to said three options of the “oral medicine” specialty.

The Ordre des dentistes du Québec does not anticipate any impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting M<sup>e</sup> Marisol Miró, Assistant Secretary of the Ordre des dentistes du Québec, 625, boulevard René-Lévesque Ouest, 15<sup>e</sup> étage, Montréal (Québec) H3B 1R2; telephone: 514 875-8511 or 1 800 361-4887; fax: 514 393-9248.

\* The Regulation respecting equivalence standards for the issue of permits by the Chambre des huissiers de justice du Québec, approved by Order in Council 504-2006 dated 7 June 2006 (2006, G.O. 2, 1730), has not been amended since its approval.

Any interested person having comments to make is asked to send them, before the expiry of the 45-day period, to the Chair of the Office des professions du Québec, 800, place D' Youville, 10<sup>e</sup> étage, Québec (Québec) G1R 5Z3. The comments will be sent by the Office to the Minister responsible for the administration of legislation respecting the professions; they may also be sent to the professional order which adopted the Regulation and to interested persons, departments and bodies.

JEAN PAUL DUTRISAC,  
Chair of the Office des  
professions du Québec

### **Regulation to amend the Regulation respecting specialties and the terms and conditions for the issue of specialist's certificates by the Ordre des dentistes du Québec\***

Professional Code  
(R.S.Q., c. C-26, s. 94, par. e and i)

**1.** The second paragraph of section 3 of the Regulation respecting specialties and the terms and conditions for the issue of specialist's certificates by the Ordre des dentistes du Québec shall be amended by deleting the words "oral medicine or".

**2.** The second paragraph of section 6 of the said Regulation shall be deleted.

**3.** Section 1 of Schedule I of the said Regulation shall be amended:

1° By replacing paragraph (4) with the following:

"(4) "oral medicine": a dental specialty dealing with the oral health care of medically complex patients, and with the diagnosis and primarily non-surgical treatment of primary diseases of the oral cavity as well as systemic disorders and pain syndromes affecting the orofacial complex;"

2° By adding the following paragraphs at the end:

"(9) "oral and maxillofacial pathology": a dental specialty dealing with the study of the nature of diseases, the clinical and microscopic diagnosis, the management and primarily non-surgical treatment of diseases, systemic disorders, and lesions affecting the oral cavity and maxillofacial region;

(10) "oral and maxillofacial radiology": a dental specialty dealing primarily with the interpretation of diagnostic imaging obtained by diverse technologies in order to establish a radiographic diagnosis of diseases and conditions affecting the oral cavity and maxillofacial region."

**4.** Section 1 of Schedule II of the said Regulation shall be amended by adding the following paragraphs at the end:

"(9) oral and maxillofacial pathology: successful completion of at least 2 consecutive academic years of full-time study in a university program approved and recognized by the Order;

(10) oral and maxillofacial radiology: successful completion of at least 2 consecutive academic years of full-time study in a university program approved and recognized by the Order."

**5.** Any specialist's certificate in oral medicine issued by the Order before (*enter the date of the coming into force of the present Regulation here*) shall become:

(1) a certificate in oral medicine, for the holder of a certificate in oral medicine comprising the option of diagnostic oral medicine and dental therapeutics;

(2) a certificate in oral and maxillofacial pathology, for the holder of a certificate in oral medicine comprising the option of oral pathology;

(3) a certificate in oral and maxillofacial radiology, for the holder of a certificate in oral medicine comprising the option of oral radiology.

**6.** The present Regulation shall come into force on the fifteenth day following the date of its publication in the *Gazette Officielle du Québec*.

8579

\* The Regulation respecting specialties and the terms and conditions for the issue of specialist's certificates by the Ordre des dentistes du Québec was approved by O.C. 1361-94 of September 7, 1994 (1994, *G.O.* 2, 4145) and has not been amended since.

## Draft Regulation

Professional Code  
(R.S.Q., c. C-26)

### Denturologists — Code of Ethics — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Code of Ethics of the Ordre des denturologistes du Québec, made by the Bureau of the Ordre des denturologistes du Québec, may be submitted to the Government which may approve it, with or without amendment, on the expiry of 45 days following this publication.

According to the Ordre des denturologistes du Québec, the main purpose of the draft Regulation is to adapt certain rules of ethics to the reality of the practice of denturology within a partnership or a joint-stock company, as established in the draft Regulation respecting the carrying on of denturology within a partnership or a joint-stock company.

The Ordre des denturologistes du Québec advises that the Regulation will have no impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Monique Bouchard, Director General and Secretary, Ordre des denturologistes du Québec, 45, place Charles-LeMoine, bureau 106, Longueuil (Québec) J4K 5G5; telephone: 450 646-7922; fax: 450 646-2509.

Any person wishing to comment on the draft Regulation is requested to submit written comments to the Chair of the Office des professions du Québec, 800, place D'Youville, 10<sup>e</sup> étage, Québec (Québec) G1R 5Z3, within the 45-day period. The comments will be sent by the Office to the Minister responsible for the administration of legislation respecting the professions; they may also be sent to the professional order that made the Regulation and to interested persons, departments and bodies.

JEAN PAUL DUTRISAC,  
*Chair of the Office des  
professions du Québec*

## Regulation to amend the Code of Ethics of the Ordre des denturologistes du Québec\*

Professional Code  
(R.S.Q., c. C-26, s. 87)

**1.** The Code of Ethics of the Ordre des denturologistes du Québec is amended by replacing the heading of Chapter I by “GENERAL PROVISIONS”.

**2.** Section 1 is replaced by the following:

“**1.** This Code determines, pursuant to section 87 of the Professional Code (R.S.Q., c. C-26), the duties and obligations to be discharged by every member of the Ordre des denturologistes du Québec.

**1.1.** A member of the Order shall take reasonable measures to ensure that persons who collaborate or cooperate with the member in his practice and any partnership or joint-stock company within which the member practises comply with the Denturologists Act (R.S.Q., c. D-4), the Professional Code and the regulations.

**1.2.** No member may permit other persons to carry out acts on the member's behalf that would, were the member to carry them out himself, place the member in violation of the Denturologists Act, the Professional Code or a regulation thereunder.

**1.3.** The duties and obligations under the Denturologists Act, the Professional Code and the regulations are not modified or reduced in any manner owing to the fact that a member practises within a partnership or joint-stock company.

**1.4.** A member shall ensure that the obligations towards the partnership or joint-stock company of which the member is a director or officer are not incompatible with the obligations towards the member's patient or employer.”

**3.** Section 2 is amended by adding the following at the end:

\* The Code of Ethics of the Ordre des denturologistes du Québec approved by Order in Council 1011-85 dated 29 May 1985 (1985, *G.O.* 2, 1976) was last amended by the *régulation* approved by Order in Council 838-2003 dated 20 August 2003 (2003, *G.O.* 2, 2717). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Québec Official Publisher, 2007, updated to 1 September 2007.

“A member shall act with dignity and avoid any method or attitude that is likely to damage the profession’s good reputation.”.

**4.** Section 3 is amended by replacing “on Society” by “on the public”.

**5.** Section 5 is amended by adding the following at the end:

“A denturologist who carries on professional activities within a partnership or joint-stock company shall ensure that the advertising of the partnership or joint-stock company or of any other person carrying on activities within the partnership or joint-stock company complies, with regard to denturologists, with the rules set out in sections 5.1 to 5.11.”.

**6.** Section 5.10.2 is amended by replacing “who, are partners or work together in the practice of their profession shall be jointly” by “who are partners or work together in their practice other than within a joint-stock company are solidarily”.

**7.** The following is inserted after section 5.11:

“**5.11.1.** A denturologist using the graphic symbol of the Order in advertising may not suggest that the advertising emanates from the Order.

**5.11.2.** A denturologist who carries on professional activities within a partnership or joint-stock company shall ensure that any use of the graphic symbol of the Order within the partnership or joint-stock company respects the representations of the graphic symbol of the Order referred to in section 5.11 and, where applicable, complies with section 5.11.1.

**5.11.3.** A denturologist shall ensure that a partnership or joint-stock company within which the denturologist carries on professional activities does not use the graphic symbol of the Order in association with its advertising or name unless all the services provided by the partnership or joint-stock company are professional services of denturologists.

In the case of a partnership or joint-stock company that provides professional services of denturologists and of persons other than denturologists, the graphic symbol of the Order may be used in association with the name of the partnership or joint-stock company or in its advertising provided that the graphic symbol identifying each of the professional orders or organizations to which those persons belong is also used.

**5.11.4.** The graphic symbol of the Order may always be used with the name of a denturologist.”.

**8.** The following is inserted after section 8:

“**8.1.** If a denturologist determines that the services for which the patient is retaining the denturologist may be provided in whole or in part in their essential aspects by another person, the denturologist shall so inform the patient.”.

**9.** Section 15 is replaced by the following:

“**15.** A denturologist shall avoid any misrepresentation with respect to the denturologist’s level of competence or the effectiveness of professional services or, if applicable, the competence or the effectiveness of the services provided by persons who carry on their activities within the same partnership or joint-stock company.”.

**10.** Section 21 is replaced by the following:

“**21.** When property is entrusted to a denturologist by a patient, the denturologist shall use it with care. The denturologist may not use it for purposes other than those for which it was entrusted to the denturologist.

A denturologist who carries on professional activities within a partnership or joint-stock company shall take reasonable measures to ensure that the partnership or joint-stock company complies with the requirements of the first paragraph when property is entrusted to the partnership or joint-stock company in connection with the professional activities.”.

**11.** Section 27 is amended by replacing “ensure that such termination of service is not prejudicial to his patient” by “take the necessary conservatory measures to spare the patient serious and foreseeable prejudice”.

**12.** Section 28 is replaced by the following:

“**28.** A denturologist shall assume civil liability in his practice. A denturologist may not include in a statement, advertisement or contract of professional services any clause that, directly or indirectly, fully or partially, excludes that liability. The denturologist may not invoke the liability of the partnership or joint-stock company as a ground for excluding or limiting his civil liability.”.

**13.** Section 30 is replaced by the following:

“**30.** A denturologist shall subordinate personal interests and the interests of the partnership or joint-stock company within which the denturologist carries on professional activities or has an interest to those of his patient.”.



**14.** Sections 32 to 34 are replaced by the following:

“**32.** A denturologist shall avoid any situation in which the denturologist would be in a conflict of interest, in particular where the interests are such that the denturologist might tend to favour certain of them over the patient’s interests, or where the denturologist’s judgment and loyalty towards the patient could be affected.

In all cases in which a denturologist carries on professional activities within a partnership or joint-stock company, conflict of interest situations shall be assessed with regard to all the patients or clients of persons with whom the denturologist carries on professional activities within the partnership or joint-stock company.

**33.** Where a denturologist carrying on professional activities within a partnership or joint-stock company is in a conflict of interest, the other denturologists shall, to avoid being considered in a conflict of interest themselves, take such reasonable measures as are required to ensure that confidential information or documents pertaining to the file are not disclosed.

Where professional activities are carried on within a partnership or joint-stock company, a denturologist who is in a conflict of interest and the other denturologists shall see that the measures apply to the persons who are not denturologists.

In assessing the effectiveness of the measures, the following factors in particular are taken into account:

- (1) the size of the partnership or joint-stock company;
- (2) the precautions taken to prevent access to the file by the denturologist who is in a conflict of interest;
- (3) the instructions given for the protection of the confidential information or documents involved in the conflict of interest; and
- (4) the isolation of the denturologist in a conflict of interest with respect to the person in charge of the file.

**34.** A denturologist may share fees only with

- (1) a member of the Ordre des denturologistes du Québec; or
- (2) a partnership or joint-stock company within which the denturologist is authorized to carry on professional activities.”.

**15.** Sections 35 and 36 are revoked.**16.** Section 38 is replaced by the following:

“**38.** Except for the remuneration to which a denturologist is entitled, a denturologist may not receive, solicit or acquire any rebate, commission or other benefit relating to his practice. He may, however, accept customary tokens of appreciation and gifts of small value.

In addition, the denturologist may not pay, offer to pay or agree to pay any rebate, commission or other benefit relating to his practice.”.

**17.** Section 40 is amended by inserting the following:

“**40.1.** A denturologist shall take reasonable measures to ensure that any person who cooperates or collaborates with the denturologist or carries on activities within the partnership or joint-stock company in which the denturologist carries on professional activities preserves the secrecy of all confidential information that becomes known to the denturologist in his practice.”.

**18.** Section 46 is amended by inserting “or those of the partnership or joint-stock company within which the denturologist carries on professional activities” after “employees”.

**19.** The following is inserted after section 52.1:

“**52.2.** Where a denturologist carries on professional activities within a joint-stock company constituted for the purpose of the activities, the fees belong to the joint-stock company, unless it is agreed otherwise.

The determination, billing and payment of fees is subject to the conditions set out in sections 48 to 57 and the member is personally responsible for seeing to their application.”.

**20.** Section 53 is replaced by the following:

“**53.** A denturologist shall give the patient an estimate of the cost of the professional services before beginning the treatment. The denturologist shall refrain from receiving or requesting from his patient, patient’s creditor or a third party, full advance payment of professional fees for services not provided. The denturologist may, however, receive or request reasonable advance fees for professional services.

A denturologist who practises within a partnership or joint-stock company shall ensure that the fees are always indicated separately on every invoice or statement of fees sent by the partnership or joint-stock company to the client.



If a treatment plan agreed upon must be modified, the denturologist shall without delay inform the patient of the additional fees that the modification will entail.”.

**21.** Section 56 is revoked.

**22.** Sections 59 and 60 are replaced by the following:

“**59.** Acting as a manufacturer, wholesaler, vendor or representative of products associated with the practice of denturology other than for teaching, training, research or development purposes is incompatible with the practice of the profession of denturology.

**60.** A denturologist shall ensure that none of the activities outside the practice of the profession of denturology carried on by the denturologist in connection with an office or enterprise compromises compliance with the rules of professional conduct prescribed by this Code, including the honour, dignity and integrity of the profession.”.

**23.** Section 61 is amended by adding the following after paragraph 18:

“(19) practising with other persons within a partnership or joint-stock company when the denturologist knows that one of the conditions, terms or restrictions pursuant to which the denturologist is authorized to so practise is not being met;

(20) practising within a partnership or joint-stock company under a name that is misleading, deceptive or contrary to the honour or dignity of the profession or that is a number name.”.

**24.** The following is inserted after section 61:

“**61.0.1.** It is also derogatory to the dignity of the profession of denturology for a denturologist who carries on professional activities within a partnership or joint-stock company to

(1) fail to take reasonable measures to put an end to or prevent the repeated performance of an act derogatory to the dignity of the profession of denturology performed by another person who carries on professional activities within the partnership or joint-stock company and that was brought to the denturologist’s attention at least 30 days previously;

(2) continue to carry on the activities within the partnership or joint-stock company if the representative of the partnership or joint-stock company for the Order or a director, officer or employee is still performing duties

more than 10 days after being struck off the roll for more than three months or has had his permit revoked; or

(3) continue to carry on the activities within the partnership or joint-stock company if a shareholder or a partner has been struck off the roll for more than three months or has had his permit revoked, if

(a) the partner or shareholder still directly or indirectly exercises a voting right within the partnership or joint-stock company more than 10 days after the effective date of the striking off the roll or permit revocation; or

(b) the partner or shareholder has not divested himself of his shares or partnership units 180 days after the effective date of the striking off the roll or permit revocation.”.

**25.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

8588

## Draft Regulation

Professional Code  
(R.S.Q., c. C-26)

### Denturologists — Practice of denturology within a partnership or a joint-stock company

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting the practice of denturology within a partnership or a joint-stock company, made by the Bureau of the Ordre des denturologistes du Québec, may be submitted to the Government which may approve it, with or without amendment, on the expiry of 45 days following this publication.

The draft Regulation contains specific provisions intended to govern the terms and conditions for authorization of the practice of denturology within a partnership or a joint-stock company, in particular as regards the administration of the partnership or joint-stock company and the holding of company shares or partnership units.

In accordance with Chapter VI.3 of the Professional Code, the conditions also include the requirement to take out insurance to cover liability which may arise

from fault or negligence on the part of members authorized to practise the profession within the partnership or joint-stock company. The members must also provide the Order with the required information on the partnership or joint-stock company and maintain the information up to date.

The Ordre des denturologistes du Québec advises that the Regulation will have no impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Monique Bouchard, Director General and Secretary, Ordre des denturologistes du Québec, 45, place Charles-LeMoyne, bureau 106, Longueuil (Québec) J4K 5G5; telephone: 450 646-7922; fax: 450 646-2509.

Any person wishing to comment on the draft Regulation may submit written comments to the Chair of the Office des professions du Québec, 800, place d'Youville, 10<sup>e</sup> étage, Québec (Québec) G1R 5Z3, within the 45-day period. The comments will be sent by the Office to the Minister responsible for the administration of legislation respecting the professions. They may also be sent to the professional order that made the Regulation and to interested persons, departments and bodies.

JEAN PAUL DUTRISAC,  
*Chair of the Office des  
professions du Québec*

## Regulation respecting the practice of denturology within a partnership or a joint-stock company

Professional Code  
(R.S.Q., c. C-26, s. 93, pars. *g* and *h*, and s. 94, par. *p*)

### DIVISION I GENERAL

**1.** Denturologists may, subject to the terms, conditions and restrictions established in this Regulation, carry on their professional activities within a joint-stock company or a limited liability partnership within the meaning of Chapter VI.3 of the Professional Code (R.S.Q., c. C-26).

Denturologists must take reasonable measures to ensure that the company or partnership allows them to comply with the Professional Code, the Denturologists Act (R.S.Q., c. D-4) and the regulations made under that Code or that Act.

### DIVISION II CONDITIONS

**2.** Denturologists are authorized to carry on their professional activities within a limited liability partnership or a joint-stock company if at all times,

(1) all of the voting rights attached to the company shares or partnership units are held

(a) by a denturologist;

(b) by a legal person, partnership or joint-stock company or any other enterprise if the voting rights attached to the shares or units are held exclusively by a denturologist;

(c) by a trust whose trustee is a denturologist; or

(d) in any combination by a person, an enterprise or a trust referred to in subparagraphs *a*, *b* and *c*;

(2) no manufacturer, wholesaler, vendor or representative of products associated with the practice of denturology and no person holding a majority of the shares of such a manufacturer or wholesaler holds shares or units of the partnership or joint-stock company; and

(3) a majority of the directors of the board of directors of the joint-stock company or the partners or the directors appointed by the partners to manage the affairs of the limited liability partnership are denturologists and must constitute the majority of the quorum of such boards at all times.

Denturologists must ensure that the conditions listed in the first paragraph appear in the articles of the joint-stock company or in the contract of the limited liability partnership and that the documents stipulate that the partnership or joint-stock company is constituted for the purposes of professional activities.

### DIVISION III OTHER TERMS, CONDITIONS OR RESTRICTIONS

**3.** A denturologist who wishes to carry on professional activities within a partnership or joint-stock company must, before starting to carry on the activities, provide the Order with the following:

(1) the declaration required by section 4 accompanied by a fee of \$200;

(2) a written document from a competent authority certifying that the partnership or joint-stock company has complied with the security requirements as provided in Division IV;

(3) if the denturologist carries on professional activities within a joint-stock company, a written document from a competent authority certifying the existence of the joint-stock company;

(4) where applicable, a certified true copy of the declaration required under the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons (R.S.Q., c. P-45) stating that the general partnership has been continued as a limited liability partnership;

(5) a written document from a competent authority certifying that the partnership or joint-stock company is registered in Québec; and

(6) an irrevocable written authorization from the partnership or joint-stock company within which the denturologist carries on professional activities allowing a person, committee, disciplinary body or tribunal referred to in section 192 of the Professional Code to require disclosure of and obtain any document listed in section 13 from a person, or to obtain a copy of such a document.

**4.** The denturologist must send to the Order a sworn declaration on the form provided by the Order containing

(1) the partnership or joint-stock company name and any other names used in Québec by the partnership or joint-stock company within which the denturologist carries on professional activities and the Québec business number assigned to them by the enterprise registrar;

(2) the legal form of the partnership or joint-stock company;

(3) the denturologist's name, member number and status within the partnership or joint-stock company;

(4) if the denturologist carries on professional activities within a joint-stock company, the address of the head office of the joint-stock company and the addresses of its establishments in Québec, and the names and home addresses of the directors and officers of the joint-stock company;

(5) if the denturologist carries on professional activities within a limited liability partnership, the addresses of the establishments in Québec indicating the principal establishment, the names and home addresses of the partners and, where applicable, the names and home

addresses of the directors appointed to manage the affairs of the partnership;

(6) a written document provided by the denturologist certifying that the shares or units held and the rules of administration of the partnership or joint-stock company comply with the conditions set out in this Regulation;

(7) the names of the holders of shares or units referred to in subparagraph 1 of the first paragraph of section 2 with the percentage of voting rights held by each holder; and

(8) in the case of holders of shares or units referred to in subparagraph *b* or *c* of subparagraph 1 of the first paragraph of section 2, a document certifying that the conditions of those subparagraphs are met.

**5.** If more than one denturologist carries on professional activities within a partnership or joint-stock company, a representative must be designated who is to act on behalf of all the denturologists in the partnership or joint-stock company to satisfy the conditions of sections 3 and 4. The representative must reply for all the denturologists to requests made by the syndic, an assistant syndic, an inspector, an investigator or any other representative of the Order and submit, as applicable, the documents that the denturologists are required to submit.

The representative must be a member of the Order and carry on professional activities in Québec within the partnership or joint-stock company.

The representative must ensure the accuracy of the information given in the declaration referred to in section 4 except the home addresses of partners, directors and officers of the partnership or joint-stock company.

Denturologists carrying on professional activities within the same partnership or joint-stock company must inform the Order of any change of representative within 15 days of the date of the change.

**6.** A denturologist is exempt from satisfying the conditions in sections 3 and 4 and in the fourth paragraph of section 5 if a denturologist or a representative of the partnership or joint-stock company within which the denturologist carries on professional activities has already satisfied those conditions.

**7.** The documents referred to in paragraphs 2, 3 and 5 of section 3 and the information referred to in section 4 must be updated every year by the denturologist or the representative by 1 April at the latest on the form provided by the Order, accompanied by a fee of \$200.

**8.** If a denturologist becomes aware that a condition set out in this Regulation or in Chapter VI.3 of the Professional Code is no longer met, the denturologist must, within 15 days, take the necessary measures to comply, failing which the denturologist is no longer authorized to carry on professional activities within the partnership or joint-stock company.

**9.** A denturologist or the denturologist's representative must immediately inform the Order of the cancellation of the insurance coverage required by Division IV, of the striking off, dissolution, assignment of property, bankruptcy, voluntary or forced liquidation of the partnership or joint-stock company or other cause likely to prevent the partnership or joint-stock company from carrying on its activities, and of any change in the information given in the declaration that is contrary to the conditions set out in section 2.

#### DIVISION IV PROFESSIONAL LIABILITY COVERAGE

**10.** To be authorized to carry on professional activities in accordance with this Regulation, a denturologist carrying on professional activities within a partnership or joint-stock company must furnish and maintain security on behalf of the partnership or joint-stock company by means of an insurance or suretyship contract or by joining a group plan contract entered into by the Order, or by contributing to a professional liability insurance fund established in accordance with section 86.1 of the Professional Code, against liabilities of the partnership or joint-stock company arising from fault or negligence on the part of the denturologist in carrying on professional activities within the partnership or joint-stock company.

The suretyship contract must be with a bank, savings and credit union, trust or insurance company and provide that the surety will provide the coverage in accordance with the conditions of this Division and will pay, by waiving the benefit of division and discussion, in lieu of the partnership or joint-stock company up to the amount of the suretyship.

**11.** The following minimum conditions for the security must be set out in a specified rider or contract:

(1) an undertaking by the insurer to pay in lieu of the partnership or joint-stock company, over and above the amount of the security to be furnished by the denturologist pursuant to the Regulation respecting professional liability insurance for denturologists (R.R.Q., 1981, c. D-4, r.2) up to the amount of the security, any sum that the partnership or joint-stock company may be

legally bound to pay to an injured third person on a claim filed during the coverage period and arising from fault or negligence on the part of the denturologist in the carrying on of professional activities within the partnership or joint-stock company;

(2) an undertaking by the insurer to take up the cause of the partnership or joint-stock company and defend it in any action against it and to pay, in addition to the amounts covered by the security, all legal costs of actions against the partnership or joint-stock company, including the costs of the inquiry and defence and interest on the amount of the security;

(3) an amount of at least \$1,000,000 per claim filed against the partnership or joint-stock company, subject to a limit of the same amount for all claims filed against the partnership or joint-stock company during a 12-month coverage period, regardless of the number of members in the partnership or joint-stock company;

(4) an undertaking by the insurer or surety that the security extends to all claims submitted in the five years following the coverage period during which a denturologist of the partnership or joint-stock company dies, withdraws from the partnership or joint-stock company or ceases to be a member of the Order, in order to maintain coverage for the partnership or joint-stock company for fault or negligence on the part of the member while carrying on professional activities within the partnership or joint-stock company;

(5) an undertaking by the insurer or surety to provide the secretary of the Order with a 30-day notice prior to any cancellation or amendment to the insurance or suretyship contract if the amendment affects a condition set out in this Regulation; and

(6) an undertaking by the insurer or surety to immediately notify the secretary of the Order that the insurance or suretyship contract has not been renewed.

#### DIVISION V ADDITIONAL INFORMATION

**12.** Where a general partnership is continued as a limited liability partnership or where a joint-stock company or a limited liability partnership is established, the denturologist must ensure that the partnership or joint-stock company publishes, within 15 days of the occurrence, a notice to that effect in a newspaper distributed in each locality where it has an establishment.

The notice must specify in general terms the effects of the continuation or establishment, in particular with respect to the denturologist's professional liability.

**13.** The documents for which an authorization from the partnership or joint-stock company is required to communicate or obtain copies pursuant to paragraph 6 of section 3 are the following:

(1) if the denturologist carries on professional activities within a limited liability partnership,

(a) the declaration of registration of the partnership and any update;

(b) the partnership agreement and amendments;

(c) an up-to-date register of the partners;

(d) where applicable, an up-to-date register of the directors; and

(e) a list of the partnership's principal officers and their home addresses;

(2) if the denturologist carries on professional activities within a joint-stock company,

(a) an up-to-date register of the articles and by-laws of the joint-stock company;

(b) an up-to-date register of the securities of the joint-stock company;

(c) an up-to-date register of the directors of the joint-stock company;

(d) any shareholders' agreement and voting agreement and amendments;

(e) the declaration of registration of the joint-stock company and any update; and

(f) a list of the partnership's principal officers and their home addresses.

## DIVISION VI TRANSITIONAL AND FINAL

**14.** Denturologists who carry on professional activities within a joint-stock company constituted for the purpose of carrying on professional activities before the date of coming into force of this Regulation must comply with this Regulation not later than one year following that date.

**15.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

## Draft Regulation

Professional Code  
(R.S.Q., c. C-26)

### Nurses

#### — Certain professional activities which may be engaged in by medical technologists

Notice is hereby given, in accordance with the Regulation Act (R.S.Q., c. R-18.1), that the "Regulation respecting certain professional activities which may be engaged in by medical technologists" was adopted by the Bureau of the Ordre des infirmières et infirmiers du Québec, at its meeting held on December 13 and 14, 2007.

This regulation has been forwarded to the Office des professions du Québec, which will examine it pursuant to section 95 of the Professional Code (R.S.Q., c. C-26), and submit it, with its recommendation, to the Government, which may approve it, with or without amendment, upon the expiry of a period of 45 days following the publication of this notice.

The purpose of this regulation is to authorize medical technologists, in accordance with certain conditions, to insert a catheter into an artificial opening in the human body:

— via an ileal conduit stoma that includes ureters;

— via a tracheostomy, except when the patient is receiving ventilator assistance.

Further information may be obtained by contacting Ms. Hélène d'Anjou, Attorney, Legal Services Department, Ordre des infirmières et infirmiers du Québec, 4200, boulevard Dorchester Ouest, Montréal (Québec), H3Z 1V4; telephone: 514 935-2501, extension 319 or 1 800 363-6048; fax: 514 935-3147; email: helene.danjou@oiiq.org

Any person having comments to make may submit them, before the expiry of the 45-day period specified above, to the Chairman of Office des professions du Québec, 800, place d'Youville, 10<sup>e</sup> étage, Québec City (Québec) G1R 5Z3. These comments will be forwarded by the Office to the Minister Responsible for the Administration of Legislation respecting the Professions; they may also be forwarded to the professional order which has adopted this regulation, as well as to interested persons, departments and agencies.

JEAN PAUL DUTRISAC,  
*Chair of the Office des  
professions du Québec*



## Regulation respecting certain professional activities that may be engaged in by medical technologists

Professional Code  
(R.S.Q., c. C-26, s. 94, par. *h*)

**1.** The purpose of this regulation is to determine which of the professional activities that may be performed by nurses may, following the issue of a prescription and in accordance with the other terms and conditions set out herein, be performed by medical technologists.

**2.** Medical technologists may insert a catheter into an artificial opening in the human body:

1° via an ileal conduit stoma that includes ureters;

2° via a tracheostomy, except when the patient is receiving ventilator assistance.

**3.** Medical technologists must meet the following conditions in order to perform the professional activities set out in section 2:

1° they must hold an attestation issued by the Ordre professionnel des technologistes médicaux du Québec certifying that:

*a)* they have completed at least four hours of theoretical and practical training organized by the Order, in application of subparagraph *j* of the first paragraph of section 86 of the Professional Code (R.S.Q., c. C-26), and which covers the following aspects:

- i. the anatomy of the urinary and respiratory systems;
- ii. the technique for taking samples via ileal conduit or tracheostomy;
- iii. complications and limitations associated with taking samples via ileal conduit or tracheostomy;

*b)* they have, at least once, successfully performed the activity set out in paragraph 1° of section 2 under the immediate supervision of a physician or nurse, and such supervision has been recorded on a form bearing the date and time as well as the name and signature of the professional who has supervised them;

*c)* they have, at least once, successfully performed the activity set out in paragraph 2° of section 2 under the immediate supervision of a physician, nurse or respiratory therapist, and such supervision has been recorded on a form bearing the date and time as well as the name and signature of the professional who has supervised them;

2° the professional activities have been performed in the following locations:

*a)* one of the following centers, operated by an institution within the meaning of the Act respecting health services and social services (R.S.Q., c. S-4.2) or the Act respecting health services and social services for Cree native persons (L.R.Q., c. S-5):

- i. a hospital centre, while providing ambulatory care, or in rehabilitation, residential and long-term care units;
- ii. a residential and long-term care centre;
- iii. a rehabilitation centre for persons with physical disabilities;
- iv. a local community services centre, as part of current services or a home support service program;

*b)* a laboratory within the meaning of the Act respecting medical laboratories, organ, tissue, gamete and embryo conservation and the disposal of human bodies (R.S.Q., c. L-0.2);

*c)* a private health facility;

*d)* a specialized medical centre within the meaning of the Act respecting health services and social services;

3° the patient's state of health is not in a critical or acute phase;

4° with respect to the performance of the activity set out in paragraph 1° of section 2, the patient is able to care for the stoma on his own, or is accompanied by a parent, a child care provider or an informal caregiver who provides such care;

5° a physician, nurse or respiratory therapist is available to intervene quickly, as required.

**4.** Medical technologists may perform the professional activities set out in section 2 for the purpose of meeting requirements set out in subparagraphs *b* and *c* of paragraph 1° of section 3 when the conditions set out in paragraphs 2° to 5° of this section have been met.

**5.** This regulation comes into force on the fifteenth day following its publication in the *Gazette officielle du Québec*.

8582



## Draft Regulation

Professional Code  
(R.S.Q., c. C-26)

### Social workers — Diploma and training equivalence standards for the issue of a social worker's permit

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting equivalence standards for the issue of a social worker's permit by the Ordre professionnel des travailleurs sociaux du Québec, made by the Bureau of the Ordre professionnel des travailleurs sociaux du Québec, may be submitted to the Government for approval, with or without amendment, on the expiry of 45 days following this publication.

The Regulation, pursuant to paragraph *c* of section 93 of the Professional Code (R.S.Q., c. C-26), determines the equivalence standards to be applied to diplomas from educational institutions outside Québec as well as the equivalence standards that apply to the training of a person who does not hold a required permit, so that a permit may be issued by the Ordre professionnel des travailleurs sociaux du Québec.

The Regulation also determines, pursuant to paragraph *c.1* of section 93 of the Professional Code, an equivalence recognition procedure providing that a decision must be reviewed by persons other than the persons who made it.

The Regulation replaces the Regulation currently in force to update the equivalence standards for diplomas from educational institutions outside Québec and to introduce training equivalence standards.

The Order advises that the Regulation will have no impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Richard Silver, Registrar and Legal Adviser with the Ordre professionnel des travailleurs sociaux du Québec, 255, boulevard Crémazie Est, bureau 520, 5<sup>e</sup> étage, Montréal (Québec) H2M 1M2; telephone: 514 731-3925 or 1 888 731-9420; fax: 514 731-6785.

Any person having comments to make is asked to send them to the Chair of the Office des professions du Québec, 800, place D'Youville, 10<sup>e</sup> étage, Québec (Québec) G1R 5Z3, before the expiry of the 45-day period. The comments will be forwarded by the Office to the Minister responsible for the administration of

legislation respecting the professions and may also be forwarded to the professional order that made the Regulation and to interested persons, departments and bodies.

JEAN PAUL DUTRISAC,  
*Chair of the Office des professions  
du Québec*

## Regulation respecting equivalence standards for the issue of a social worker's permit by the Ordre professionnel des travailleurs sociaux du Québec

Professional Code  
(R.S.Q., c. C-26, s. 93, pars. *c* and *c.1*)

### DIVISION I GENERAL

**1.** The secretary of the Ordre professionnel des travailleurs sociaux du Québec is to send a copy of this Regulation to a candidate who, for the purpose of obtaining a social worker's permit from the Order, wishes to have a diploma or training recognized as equivalent.

In this Regulation,

“diploma equivalence” means recognition by the Order that a diploma issued by an educational institution outside Québec certifies that a candidate's level of knowledge and skills is equivalent to the level attained by the holder of a diploma recognized by a regulation of the Government, made pursuant to the first paragraph of section 184 of the Professional Code (R.S.Q., c. C-26), as giving access to the social worker's permit issued by the Order; and

“training equivalence” means recognition by the Order that a candidate's training has enabled him or her to attain a level of knowledge and skills equivalent to the level attained by the holder of a diploma recognized by a regulation of the Government, made pursuant to the first paragraph of section 184 of the Professional Code, as giving access to the social worker's permit issued by the Order.

### DIVISION II DIPLOMA EQUIVALENCE STANDARDS

**2.** A candidate who holds a diploma in social work issued by a university-level educational institution outside Québec is granted a diploma equivalence for the issue of a social worker's permit if the candidate demon-

strates that the diploma was obtained upon completion of a program of university studies at the undergraduate level or master's level comprising a minimum of 90 credits. A credit represents 45 hours of training or learning activities spent in a classroom, a laboratory, a workshop or doing personal work. A minimum of 66 credits must pertain to the following subjects and be apportioned as follows:

(1) a minimum of 21 credits in intervention methods in social work with individuals, couples, families and communities, including vulnerable, involuntary and hard to reach clientele; the training includes, in relation to those clientele, psychosocial assessment and the planning, carrying out and evaluation of the intervention;

(2) a minimum of 6 credits in social policies, social systems, socio-economic institutions, socio-political representation and advocacy;

(3) a minimum of 9 credits in the fields of practice and social problems, including their impacts on individuals, couples, families, groups and communities;

(4) a minimum of 6 credits in practice analysis methods and research methods;

(5) a minimum of 3 credits in the consultation and supervision process, team management and conflict resolution;

(6) a minimum of 3 credits in professional organization, ethics, the Québec professional system, the legislation and regulations governing the practice of the profession of social worker and the standards of practice applicable to the profession; and

(7) a minimum of 18 credits or 800 hours of field placement in social work. That field placement, completed under the supervision of a social worker, consists of activities designed to familiarize the student with the various aspects of the practice of the profession of social worker with a diverse clientele and in various settings, including psychosocial assessment, the planning, carrying out and evaluation of a social intervention, the management of the student's practice, and professional drafting.

**3.** Despite section 2, where the diploma for which an equivalence application is made was obtained more than five years before the application and, considering the developments in the profession of social worker, the knowledge certified by the diploma no longer corresponds to the knowledge currently being taught, the candidate is granted a training equivalence pursuant to section 4 if the candidate has acquired the required level of knowledge and skills since obtaining the diploma.

### DIVISION III TRAINING EQUIVALENCE STANDARDS

**4.** A candidate is granted a training equivalence for the issue of a social worker's permit if the candidate demonstrates having a level of knowledge and skills equivalent to the level acquired by the holder of a diploma recognized as giving access to a social worker's permit.

For the purposes of the first paragraph, at least 2 years of relevant work experience in activities constituting the practice of the profession of social worker is equivalent to the standard described in paragraph 7 of section 2.

In assessing the training equivalence of a candidate, the Bureau takes particular account of the following factors:

(1) the nature and duration of the candidate's work experience;

(2) the fact that the candidate holds one or more diplomas awarded in Québec or elsewhere;

(3) the nature and content of courses taken and the marks obtained; and

(4) the nature and content of field placements and other training activities completed.

### DIVISION IV TRAINING EQUIVALENCE RECOGNITION PROCEDURE

**5.** A candidate wishing to have an equivalence recognized must provide the secretary with the following documents required to support the candidate's application, together with the fees required under paragraph 8 of section 86.0.1 of the Professional Code:

(1) the candidate's academic record, including a description of courses taken, the number of hours of each course, and an official transcript of the results obtained;

(2) proof that the candidate's diploma was awarded;

(3) a document from the educational institution at the university level that issued the diploma attesting to the candidate's participation in and successful completion of the field placements and practical work; and

(4) a document attesting to and describing the candidate's relevant work experience.

**6.** Documents in a language other than English or French submitted in support of an application for diploma or training equivalence must be accompanied by a translation into French.

**7.** The secretary must send the documents referred to in section 5 to a committee formed by the Bureau, pursuant to paragraph 2 of section 86.0.1 of the Professional Code, to study applications for diploma or training equivalence and make an appropriate recommendation to the Bureau.

In order to make an appropriate recommendation, the committee may require the applicant to pass an examination or to successfully complete a training period, or both.

**8.** At the first meeting following the date of receipt of the recommendation, the Bureau must decide, in accordance with this Regulation, whether it will grant a diploma or training equivalence, and notify the candidate in writing within 30 days of its decision.

If the Bureau decides not to grant the equivalence applied for, it must at the same time indicate to the candidate the programs of study, training sessions or examinations that could be successfully completed within the allotted time, taking into account the candidate's current level of knowledge, for the equivalence to be granted.

**9.** A candidate who is informed of the Bureau's decision not to recognize the equivalence applied for may apply for review, provided that the candidate makes a written application to the secretary, giving the reasons in support of the review, within 30 days after receiving the decision.

The review must take place within 30 days following the date on which the application is received by a committee formed by the Bureau pursuant to paragraph 2 of section 86.0.1 of the Professional Code composed of persons other than members of the Bureau or of the committee referred to in section 7. Before making a decision, the committee must inform the candidate of the date of the meeting and of the candidate's right to make submissions at the meeting.

A candidate who wishes to make submissions in person at the meeting must notify the secretary at least five days before the date scheduled for the meeting. The candidate may, however, send written submissions to the secretary at any time before the date scheduled for the meeting.

The decision of the committee is final and must be sent to the candidate in writing by registered mail within 30 days following the date of the meeting.

**10.** This Regulation replaces the Regulation respecting degree equivalence standards for the issuing of permits (1982, *G.O.* 2, 1957) made on 27 November 1981 by the Corporation professionnelle des travailleurs sociaux du Québec.

However, an application for equivalence must be examined on the basis of the replaced Regulation if a recommendation in respect of that application is sent to the Bureau of the Order by the committee referred to in section 2.02 of that Regulation before the date of coming into force of this Regulation.

**11.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

8595

## Draft Regulation

Professional Code  
(R.S.Q., c. C-26)

### Veterinary surgeons

#### — Practice of the profession of veterinary surgeon within a partnership or a joint-stock company

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting the practice of the profession of veterinary surgeon within a partnership or a joint-stock company, adopted by the Bureau of the Ordre des médecins vétérinaires du Québec, may be submitted to the Government for approval, with or without amendment, on the expiry of 45 days following this publication.

The draft Regulation contains provisions to govern the terms and conditions under which veterinary surgeons are authorized to practise within a partnership or joint-stock company, in particular as regards the management of the partnership or joint-stock company and the holding of units or shares.

Pursuant to Chapter VI.3 of the Professional Code, those conditions also entail a requirement to have insurance to cover the liability the partnership or joint-stock company may incur for fault or negligence on the part of the members practising within the partnership or joint-stock company. The members will also be required to provide the Order with information on the partnership or joint-stock company and to maintain that information current.

The Ordre des médecins vétérinaires du Québec advises that the Regulation will have no impact on enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Céline Martineau, Director General and Secretary of the Ordre des médecins vétérinaires du Québec, 800, avenue Sainte-Anne, bureau 200, Saint-Hyacinthe (Québec) J2S 5G7; telephone: 450 774-1427; fax: 450 774-7635.

Any person wishing to comment on the draft Regulation may submit written comments to the Chair of the Office des professions du Québec, 800, place D'Youville, 10<sup>e</sup> étage, Québec (Québec) G1R 5Z3, within the 45-day period. The comments will be sent by the Office to the Minister responsible for the administration of legislation respecting the professions. They may also be sent to the professional order that made the Regulation and to interested persons, departments and bodies.

JEAN PAUL DUTRISAC,  
*Chair of the Office des  
professions du Québec*

## Regulation respecting the practice of the profession of veterinary surgeon within a partnership or a joint-stock company

Professional Code  
(R.S.Q., c. C-26, s. 93, pars. *g* and *h* and s. 94, par. *p*)

### DIVISION I TERMS AND CONDITIONS OF PRACTICE

**1.** Veterinary surgeons may carry on their professional activities within a limited liability partnership or a joint-stock company within the meaning of Chapter VI.3 of the Professional Code (R.S.Q., c. C-26) if, at all times,

(1) 100% of the voting rights attached to the shares or units of the partnership or joint-stock company are held

(a) by veterinary surgeons;

(b) by legal persons, trusts or other enterprises whose voting rights attached to the shares or units of the partnership or joint-stock company or other securities are held entirely by at least one veterinary surgeon; or

(c) by a combination of the persons, trusts or other enterprises referred to in subparagraphs *a* and *b*;

(2) in the case of a joint-stock company, all the non-voting shares are held

(a) by veterinary surgeons;

(b) by relatives of or persons connected by marriage to a veterinary surgeon holding shares referred to in subparagraph 1;

(c) by the spouse of a veterinary surgeon holding shares referred to in subparagraph 1;

(d) by an employee of the joint-stock company;

(e) by legal persons, trusts or other enterprises whose voting rights attached to the shares or units of the partnership or joint-stock company or other securities are held entirely by a person referred to in subparagraph *a*, *b*, *c* or *d*; or

(f) by a combination of the persons, trusts or other enterprises referred to in subparagraph *a*, *b*, *c*, *d* or *e*;

(3) no manufacturer or wholesaler of medications or food for animals and no person holding the majority of the shares of such a manufacturer or wholesaler holds shares or units of the partnership or joint-stock company;

(4) the majority of the directors of the board of directors of the joint-stock company or the directors of the limited liability partnership are veterinary surgeons. To constitute a quorum at a meeting of the directors of a partnership or joint-stock company, the majority of the members present must be veterinary surgeons if they are to commit the partnership or joint-stock company;

(5) the chair of the board of directors of the joint-stock company or the person who performs similar duties within a limited liability partnership is a veterinary surgeon and, as the case may be, a voting shareholder or a partner; and

(6) only a veterinary surgeon is granted, by voting agreement or proxy, the voting rights attached to a share or unit held by a veterinary surgeon or by a legal person, a trust or other enterprise referred to in subparagraph *b* of subparagraph 1 of the first paragraph.

Veterinary surgeons must ensure that the conditions set out in the first paragraph appear in the articles of constitution of the joint-stock company or in the contract constituting the limited liability partnership and that the documents stipulate that the partnership or joint-stock company is constituted for the purpose of carrying on professional activities.

**2.** If a veterinary surgeon is struck off the roll for a period in excess of three months or has had his or her permit revoked, the veterinary surgeon may not, during

the period of the striking off or revocation, directly or indirectly hold any units in a partnership or shares in a joint-stock company referred to in section 1.

**3.** To be able to carry on professional activities within a partnership or joint-stock company referred to in section 1, a veterinary surgeon must, before beginning to practise, provide the secretary of the Order with

(1) a written document from a competent authority certifying that the partnership or joint-stock company is covered by security in compliance with Division III;

(2) a written document from a competent authority certifying the existence of the joint-stock company, if the veterinary surgeon carries on professional activities within a joint-stock company;

(3) where applicable, a certified true copy of the declaration from the competent authority attesting to the continuance of the general partnership as a limited liability partnership;

(4) a written document certifying that the partnership or joint-stock company is duly registered in Québec;

(5) a written document certifying that the partnership or joint-stock company has an establishment in Québec;

(6) an irrevocable written authorization from the partnership or joint-stock company within which the veterinary surgeon practises allowing a person, committee, disciplinary body or tribunal referred to in section 192 of the Professional Code to obtain from a person any document listed in section 13 or a copy of such a document; and

(7) the sworn declaration referred to in section 4, along with a fee of \$150.

**4.** A veterinary surgeon must make a sworn declaration on the form provided by the Order, containing

(1) the partnership or joint-stock company name and any other names used in Québec by every partnership or joint-stock company within which the veterinary surgeon practises and the business number assigned to them by the competent authority;

(2) the legal form of the partnership or joint-stock company;

(3) if the veterinary surgeon practises within a joint-stock company, the address of the head office of the joint-stock company and of its establishments in Québec, and the names and home addresses of the directors and officers of the joint-stock company;

(4) if the veterinary surgeon practises within a limited liability partnership, the address of the establishments of the partnership in Québec, specifying the address of the principal establishment, the names and home addresses of all the partners and, where applicable, the names and addresses of the directors appointed by the partners to manage the affairs of the partnership;

(5) the veterinary surgeon's name, home address and professional domicile and status within the partnership or joint-stock company; and

(6) a written document by the veterinary surgeon certifying that the shares or units held and the rules of administration of the partnership or joint-stock company are in conformity with the conditions set out in this Regulation.

**5.** A veterinary surgeon must

(1) update and provide the Order, before March 31 of each year, with the sworn declaration sent pursuant to section 4, along with a fee of \$100; and

(2) promptly notify the Order of any change in the security required by Division III or in the information given in the declaration sent pursuant to section 4 that may affect compliance with the conditions set out in this Regulation.

**6.** A veterinary surgeon immediately ceases to be authorized to practise within a partnership or joint-stock company if the veterinary surgeon no longer satisfies the conditions set out in this Regulation or in Chapter VI.3 of the Professional Code.

## DIVISION II REPRESENTATIVE

**7.** Where two or more veterinary surgeons carry on their professional activities within the same partnership or joint-stock company, a representative must be designated to act on behalf of all the veterinary surgeons carrying on their professional activities within the partnership or joint-stock company to satisfy the terms and conditions in sections 3 to 5.

The representative must ensure the accuracy of the information given in the declaration, except the information referred to in paragraph 5 of section 4.

The representative is also mandated by the veterinary surgeons carrying on their professional activities within the partnership or joint-stock company to reply to requests made, pursuant to this Regulation, by the syndic, an



inspector, an investigator or any other representative of the Order and provide, where applicable, documents the veterinary surgeons are required to submit.

**8.** The representative must be a veterinary surgeon who is either a partner or a company director and a voting shareholder.

**9.** A veterinary surgeon is exempt from satisfying the terms and conditions in sections 3 to 5 if the representative of the partnership or joint-stock company within which the veterinary surgeon practises has already satisfied the conditions.

### **DIVISION III** **PROFESSIONAL LIABILITY COVERAGE**

**10.** To be authorized to practise in accordance with this Regulation, a veterinary surgeon must furnish and maintain security on behalf of the partnership or joint-stock company by means of an insurance or suretyship contract or by joining a group plan contract entered into by the Order, or by contributing to a professional liability insurance fund established in accordance with section 86.1 of the Professional Code, against liabilities of the partnership or joint-stock company arising from fault or negligence on the part of the members practising within the partnership or joint-stock company.

**11.** The following minimum conditions for the security must be set out in a specific rider or contract:

(1) an undertaking by the insurer or surety to pay in lieu of the partnership or joint-stock company, over and above the amount of the security to be furnished by the veterinary surgeon pursuant to the Regulation respecting professional liability insurance for veterinary surgeons, approved by Order in Council 287-92 dated 26 February 1992, or any other coverage taken out by the member if it is greater, up to the amount of the security, any sum that the partnership or joint-stock company may be legally bound to pay to a third person on a claim filed during the coverage period and arising from fault or negligence on the part of the veterinary surgeon in the practice of the profession;

(2) an undertaking by the insurer or surety to take up the cause of the partnership or joint-stock company and defend it in any action against it and to pay, in addition to the amounts covered by the security, all legal costs of actions against the partnership or joint-stock company, including the costs of the inquiry and defence and interest on the amount of the security;

(3) an undertaking by the insurer or surety that the security extends to all claims submitted in the five years following the coverage period during which a member of the partnership or joint-stock company dies, withdraws from the partnership or joint-stock company or ceases to be a veterinary surgeon, in order to maintain coverage for the partnership or joint-stock company for fault or negligence on the part of that member while practising the profession within the partnership or joint-stock company;

(4) a stipulation of an amount of at least \$1,000,000 per claim for all claims filed against the partnership or joint-stock company during a 12-month coverage period; and

(5) an undertaking by the insurer or surety to provide the secretary of the Order with a 30-day notice of intent to cancel the insurance or suretyship contract, to amend a condition set out in this section or not to renew the contract.

### **DIVISION IV** **ADDITIONAL INFORMATION**

**12.** On a general partnership being continued as a limited liability partnership, or a joint-stock company or limited liability partnership being constituted, a veterinary surgeon must, within 15 days of the occurrence, ensure that the partnership or joint-stock company so notifies its clients.

The notice must specify, in general terms, the effects of the continuation or constitution, in particular as regards the veterinary surgeon's professional liability.

**13.** The documents that may be required pursuant to paragraph 6 of section 3 are the following:

(1) if the veterinary surgeon carries on professional activities within a joint-stock company,

(a) the up-to-date register of the articles and by-laws of the joint-stock company;

(b) the up-to-date register of the shares of the joint-stock company;

(c) the up-to-date register of the directors of the joint-stock company;

(d) any shareholders' agreement and voting agreement, and amendments;



(e) the declaration of registration of the joint-stock company and any update; and

(f) the complete and up-to-date list of the names and home addresses of the company's principal officers;

(2) if the veterinary surgeon carries on professional activities within a limited liability partnership,

(a) the declaration of registration of the partnership and any update;

(b) the partnership agreement, and amendments;

(c) the up-to-date register of the partners;

(d) where applicable, the up-to-date register of the directors; and

(e) the complete and up-to-date list of the names and home addresses of the partnership's principal officers.

#### **DIVISION V** INCOME

**14.** If a veterinary surgeon practises within a partnership or joint-stock company, the income derived from professional services performed by the veterinary surgeon within and on behalf of the partnership or joint-stock company belong to it, unless agreed otherwise.

#### **DIVISION VI** FINAL

**15.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.



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Abbreviations : **A**: Abrogated, **N**: New, **M**: Modified

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