The Ontario Securities Commission

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The Ontario Securities Commission administers the
Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
MARK STEVEN ROTSTEIN AND
EQUILIBRIUM PARTNERS INC.

NOTICE OF HEARING
(Sections 127 and 127.1 of the Securities Act)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Securities Act*"), at the offices of the Commission located at 20 Queen Street West, 17th Floor, in the City of Toronto, commencing on March 24, 2016, at 10:00 a.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether, in the Commission's opinion, it is in the public interest for the Commission to make the following orders:

(a) that trading in any securities or derivatives by each of Mark Steven Rotstein ("Rotstein") and Equilibrium Partners Inc. ("EQ") cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*;

(b) that the acquisition of any securities by each of Rotstein and EQ is prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the *Securities Act*;

(c) that any exemptions contained in Ontario securities law do not apply to each of Rotstein and EQ permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the *Securities Act*;

(d) that each of Rotstein and EQ be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the *Securities Act*;

(e) that Rotstein resign one or more positions that he holds as a director or officer of any issuer, registrant, or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the *Securities Act*;

(f) that Rotstein be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager, permanently or for such period as is specified by the Commission, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the *Securities Act*;

(g) that Rotstein be prohibited from becoming or acting as a registrant, an investment fund manager, or a promoter, permanently or for such period as is specified by the Commission, pursuant to paragraph 8.5 of subsection 127(1) of the *Securities Act*;

(h) that each of Rotstein and EQ pay an administrative penalty of not more than $1 million for each failure by each of them to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the *Securities Act*;

(i) that each of Rotstein and EQ disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the *Securities Act*;

(j) that each of Rotstein and EQ pay the costs of the investigation and the hearing, pursuant to section 127.1 of the *Securities Act*; and

(k) such other order as the Commission considers appropriate in the public interest;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission, dated February 29, 2016, and such further allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel at the hearing;

AND TAKE FURTHER NOTICE that upon failure of any party to attend at the time and place stated above, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceedings;

AND TAKE FURTHER NOTICE that the Notice of Hearing is also available in French, participation may be in either French or English and participants must notify the Secretary's Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French; and

ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE que l'avis d'audience est disponible en français, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plus tôt possible et, dans tous les cas, au moins trente (30) jours avant l'audience si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

DATED at Toronto, this 29th day of February, 2016.

"Josée Turcotte"
Secretary to the Commission

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
MARK STEVEN ROTSTEIN AND
EQUILIBRIUM PARTNERS INC.

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

A. Overview

1. The respondents Mark Steven Rotstein ("Rotstein"), a former registrant, and his company, Equilibrium Partners Inc. ("EQ"), engaged in the business of trading in and advising in respect of securities without being registered, in breach of the requirements of the Ontario *Securities Act*, R.S.O. 1990, C.S5, as amended (the "*Securities Act*").

2. Rotstein was registered under the *Securities Act* for more than 15 years, from 1997 until 2012.[1] In October 2012, just over three months after he ceased to be registered, Rotstein incorporated EQ. Rotstein was the founder, owner and directing mind of EQ, as well as its sole director, officer and employee. EQ has never been registered under the *Securities Act*.

3. Between July 2, 2013 and October 4, 2014 (the "Material Time"), Rotstein and EQ carried out more than 500 transactions for and with clients, with a settlement value exceeding $14,450,000. Rotstein and EQ obtained personal and corporate information from clients, including their passwords. Rotstein then communicated with market participants in order to execute buy and sell orders for clients, and to convey or obtain information about clients. During most of these communications, Rotstein impersonated his clients. In so doing, he repeatedly misled market participants and their employees, in order to conduct activity for which he and EQ should have been, but were not, registered.

B. Rotstein's Disciplinary History While a Registrant

4. Rotstein resides in Toronto, Ontario. He was registered under the *Securities Act* from February 1997 until April 2011, and from July 2011 until July 2012.

5. While he was a registrant, Rotstein was named in two disciplinary proceedings brought by the Investment Industry Regulatory Organization of Canada ("IIROC").

6. Rotstein worked for RBC Dominion Securities Inc. ("RBC DS") from February 1997 until April 2011. By the spring of 2011, while still employed by RBC DS, Rotstein had about 2000 client accounts, with assets valued at about $500,000,000.

7. Rotstein was terminated for cause by RBC DS on April 5, 2011. IIROC brought a proceeding stemming from Rotstein's conduct while at RBC DS.

8. Meanwhile, Rotstein had joined Scotia Capital Inc. ("Scotia Capital") in April 2011. Many of Rotstein's RBC DS clients moved their business to Scotia Capital. Rotstein was subject to close supervision at Scotia Capital as a term of his reactivated registration.

9. While still employed at Scotia Capital, Rotstein settled the IIROC proceeding and admitted that he had engaged in a practice, for over a decade, of signing client names and passing those signatures off as the clients' on account and investment documents, in dozens and potentially hundreds of instances. An IIROC hearing panel accepted the settlement agreement on April 18, 2012. Among other things, Rotstein paid a fine of $250,000.

10. Scotia Capital asked Rotstein to resign on July 10, 2012, which resulted in the automatic suspension of his registration. IIROC then brought another proceeding. Rotstein settled this second IIROC proceeding, and admitted that in June 2012, he had entered a trade for a client without the client's knowledge or authorization, contrary to IIROC Dealer Member Rule 29.1.

[1] But for a two month period in 2011, as explained at paragraph 4, below.

11. An IIROC hearing panel accepted the settlement agreement on July 3, 2014. Among other things, Rotstein was prohibited from registering with IIROC for a period of 18 months and, in the event that his registration was reactivated, he agreed he would be subject to strict supervision and to terms and conditions regarding his record keeping. As a result, Rotstein was not eligible for registration until January 3, 2016 at the earliest. However, as described below, by the time the second IIROC settlement was accepted, Rotstein had incorporated EQ, and they had been engaging in unlawful trading and advising for a year.

C. Rotstein Incorporates EQ and They Trade and Advise Unlawfully in Order to Operate Outside of the Registration Regime

12. Rotstein incorporated EQ on October 29, 2012. Rotstein is the founder, owner and directing mind of EQ, as well as its sole director, officer and employee. Rotstein is responsible for all activities undertaken by EQ. EQ has never been registered under the *Securities Act*.

13. Rotstein created a website for EQ, and described the company as being "in the business of partnering with individuals and families to help ensure financial and personal balance in their lives, delivered through a 'Family Office [which] acts as a trusted advisor to families and individuals.'"

14. Rotstein and EQ solicited and otherwise obtained clients, some of whom had been Rotstein's clients when he worked as a registrant at RBC DS and/or Scotia Capital. During the Material Time, Rotstein and EQ traded and advised by, among other things:

    (a) recommending that clients open self-directed investment accounts;

    (b) assisting clients with the investment account opening process;

    (c) accessing clients' investment accounts;

    (d) preparing investment planning reports for clients;

    (e) offering an opinion about an issuer or its securities;

    (f) making recommendations about an investment in an issuer or its securities;

    (g) communicating with market participants in order to execute buy and sell orders for clients, and to obtain and provide information about clients and their investments; and

    (h) exercising *de facto* discretionary authority over client investment accounts.

15. Rotstein encouraged clients to set up self-directed investment accounts, and had the clients provide him with information, including their date of birth, social insurance number and their passwords, which he could use to access their accounts. On most occasions, when communicating with employees of market participants, Rotstein impersonated clients, thereby misleading the employee and the firm as to his true identity.

16. Rotstein also engaged in trading and advising when clients maintained a trading or advising relationship with a registered dealing representative. For example, Rotstein recommended the purchase or sale of specific securities to an EQ client, who in turn communicated those trading instructions to a registered dealing representative.

17. During the Material Time, Rotstein and EQ conducted about 511 transactions, of which about 486 were carried out electronically and about 25 via telephone. Of these transactions, 354 were buy transactions and 157 were sell transactions. The settlement value of these transactions was approximately $14,450,000.

18. Rotstein and EQ charged clients for the services that they provided, including their unregistered trading and advising. The fee arrangements varied among clients, but mainly consisted of an annual retainer.

D. Breaches of Ontario Securities Law and Conduct Contrary to the Public Interest

19. During the Material Time, without being registered to do so, Rotstein and EQ engaged in, or held themselves out as engaging in, the business of trading in securities and engaged in, or held themselves out as engaging in, the business of advising with respect to investing in, buying or selling securities, and as such, breached subsections 25(1) and (3) of the *Securities Act*.

20. Further, Rotstein authorized, permitted or acquiesced in EQ's non-compliance with Ontario securities law and as such is deemed to have not complied with Ontario securities law pursuant to section 129.2 of the *Securities Act*.

21. Rotstein's and EQ's misconduct was contrary to the public interest and harmful to the integrity of Ontario's capital markets. One of the stated purposes of the *Securities Act* is that investors should be protected from unfair and improper practices. Further, it is a fundamental principle of the legislation that high standards of fitness and business conduct are maintained, in order to ensure honest and responsible conduct by market participants. The primary means by which this is achieved is through registration under the *Securities Act*. Throughout the Material Time, Rotstein and EQ did not comply with the registration requirements of the *Securities Act*, thereby avoiding any regulatory oversight, and depriving their clients of the protections to which they were entitled.

22. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, this 29th day of February, 2016.

1.5 Notices from the Office of the Secretary

1.5.1 Garth H. Drabinsky et al.

FOR IMMEDIATE RELEASE
February 25, 2016

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
GARTH H. DRABINSKY,
MYRON I. GOTTLIEB AND
GORDON ECKSTEIN

TORONTO – The Commission issued an Order in the above named matter which provides that:

1. The hearing dates scheduled for June 20, June 21, June 24 to June 28 and July 19, 2016 are vacated;
2. The hearing in this matter shall commence at 10:00 a.m. on September 19, 2016 and continue on September 21 and 22, September 26 and September 29 and October 19, 2016 or at such other time or times and on such other dates as may be ordered by the Commission;
3. A further confidential pre-hearing conference shall take place at 10:00 a.m. on June 20, 2016 or at such other time and on such other date as may be ordered by the Commission;
4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:
    a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;
    b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;
    c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and
    d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;
5. Each of the parties shall disclose his or its initial witness lists and witness summaries by no later than 60 days prior to the commencement of the hearing; and
6. Each of the parties shall serve his or its hearing brief materials by no later than 20 days prior to the commencement of the hearing.

A copy of the Order dated February 24, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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For investor inquiries:

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1-877-785-1555 (Toll Free)

1.5.2 Hong Liang Zhong

FOR IMMEDIATE RELEASE
February 26, 2016

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
HONG LIANG ZHONG

TORONTO – The Commission issued an Order in the above noted matter which provides that:

1. Staff's application to continue this proceeding by way of a written hearing is granted;

2. Staff's materials shall be served and filed no later than March 7, 2016;

3. Zhong's responding materials, if any, shall be served and filed no later than April 4, 2016; and

4. Staff's reply materials, if applicable, shall be served and filed no later than April 18, 2016.

A copy of the Order dated February 25, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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1.5.3 Mark Steven Rotstein and Equilibrium Partners Inc.

FOR IMMEDIATE RELEASE
March 1, 2016

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
MARK STEVEN ROTSTEIN AND
EQUILIBRIUM PARTNERS INC.

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on March 24, 2016 at 10:00 a.m. as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated February 29, 2016 and Statement of Allegations of Staff of the Ontario Securities Commission dated February 29, 2016 are available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 O'Leary Funds Management L.P. et al.

Headnote

Policy Statement 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of change of manager of investment funds, and investment fund mergers – merger approval required because merger does not meet the criteria for per-approval – continuing fund has different investment objectives than terminating fund – fee structure not substantially similar – merger not a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act – manager of continuing fund is not an affiliate of the manager of the terminating fund – securityholders provided with timely and adequate disclosure regarding the change of manager and the mergers – change of manager and mergers is not detrimental to securityholders or contrary to the public interest.

Applicable Legislative Provisions

Regulation 81-102 respecting Investment Funds, ss. 5.5(1)(a), 5.5(1)(b), 5.6, 5.7, 19.1.

[Translation]

February 12, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
O'LEARY FUNDS MANAGEMENT L.P.
(O'Leary or the Filer)

AND

IN THE MATTER OF
O'LEARY CANADIAN BALANCED INCOME FUND,
O'LEARY CANADIAN BOND YIELD FUND,
O'LEARY CANADIAN DIVIDEND FUND,
O'LEARY CANADIAN HIGH INCOME FUND,
O'LEARY CONSERVATIVE INCOME FUND,
O'LEARY EMERGING MARKETS INCOME FUND,
O'LEARY FLOATING RATE INCOME FUND,
O'LEARY GLOBAL BOND YIELD ADVANTAGED FUND,
O'LEARY GLOBAL BOND YIELD FUND,
O'LEARY GLOBAL DIVIDEND FUND,
O'LEARY GLOBAL INFRASTRUCTURE INCOME FUND,
O'LEARY GLOBAL GROWTH & INCOME FUND,
O'LEARY TACTICAL INCOME FUND,
O'LEARY U.S. STRATEGIC YIELD FUND
(collectively, the O'Leary Mutual Funds),

O'LEARY FLOATING RATE PORTFOLIO TRUST (REFERENCE FUND),
O'LEARY U.S. PORTFOLIO TRUST (REFERENCE FUND)
(collectively, the Reference Funds),

CONVERTIBLE DEBENTURES INCOME FUND,
FLOATING RATE INCOME FUND,
O'LEARY CANADIAN DIVERSIFIED INCOME FUND,
O'LEARY U.S. STRATEGIC YIELD ADVANTAGED FUND
(collectively with the Reference Funds, the O'Leary Closed-End Funds)
(the Mutual Funds and the Closed-End Funds are collectively referred to as the O'Leary Funds)

DECISION

Background

The securities regulatory authority or regulators in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer, on behalf of the O'Leary Funds, for a decision under the securities legislation of the Jurisdictions (the **Legislation**) approving (i) the change of manager of the O'Leary Funds from O'Leary to Canoe (as defined herein) (the **Change of Manager**) pursuant to paragraph 5.5(1)(a) of *Regulation 81-102 respecting Investment Funds* (c. V-1.1, r. 39) (**Regulation 81-102**) and (ii) the mergers of certain of the O'Leary Funds into certain mutual funds managed or to be managed by Canoe (the **Mergers**) pursuant to paragraph 5.5(1)(b) of Regulation 81-102 (collectively, the **Approvals Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) The Autorité des marchés financiers is the principal regulator for this application;

(b) the Filer has provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System* (c. V-1.1, r. 1) (**Regulation 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* (c. V-1.1, r. 3), Regulation 11-102 and Regulation 81-102 have the same meaning if used in this decision, unless otherwise defined.

"Asset Purchase Agreement" means the agreement entered into by O'Leary and Canoe as of October 14, 2015 with respect to the Proposed Transaction.

"Canoe" means Canoe Financial LP.

"Canoe Continuing Funds" means each of the Canoe Enhanced Income Fund, Canoe North American Monthly Income Class, Canoe Global Income Fund, Canoe Strategic High Yield Fund, Canoe Canadian Monthly Income Class, Canoe Global Equity Income Class, Canoe Equity Income Class and Canoe Canadian Asset Allocation Class.

"Canoe Funds" means certain mutual funds and non-redeemable investment funds managed by Canoe that are formed as trusts established under the laws of Alberta, as a corporation established under the laws of Alberta, and as classes of Canoe 'GO CANADA!' Fund Corp. (**Fund Corp.**), a corporation established under the laws of Alberta.

"Canoe IRC" means the independent review committee of certain of the Canoe Funds within the meaning of Regulation 81-107.

"Circular" means the notice of meeting, proxies and information circular within the meaning of Regulation 81-106 prepared in connection with the Proposed Transaction.

"Closing" means the closing of the Proposed Transaction.

"Closing Date" means on or about February 16, 2016.

"Continuing Funds" means the Canoe Continuing Funds and O'Leary Floating Rate Income Fund (to be renamed Canoe Floating Rate Income Fund).

"Continuing Trust Fund" means the Continuing Funds that are formed as trusts.

"Corporate Class Funds" is defined at paragraph 64(e) hereof.

"Extraordinary Resolution Funds" means O'Leary Canadian High Income Fund, O'Leary Emerging Markets Income Fund, O'Leary Global Bond Yield Advantaged Fund, O'Leary Global Growth & Income Fund, Convertible Debentures Income Fund, Floating Rate Income Fund and O'Leary Canadian Diversified Income Fund.

"O'Leary IRC" means O'Leary Funds' independent review committee within the meaning of Regulation 81-107.

"O'Leary Continuing Funds" means O'Leary Canadian Bond Yield Fund (to be renamed Canoe Canadian Corporate Bond Fund), O'Leary Canadian Dividend Fund (to be renamed Canoe Canadian Dividend Fund), O'Leary Floating Rate Income Fund (to be renamed Canoe Floating Rate Income Fund), O'Leary Global Infrastructure Income Fund (to be renamed Canoe Global Balanced Fund) and the Reference Funds.

"MERs" is defined at paragraph 11 hereof.

"O'Leary Merging Funds" is defined at paragraph 30 hereof.

"Proposed Transaction" is defined at paragraph 26 hereof.

"Qualifying Exchange" has the meaning ascribed thereto in section 132.2 of the ITA.

"Regulation 41-101" means *Regulation 41-101 respecting General Prospectus Requirements* (c. V-1.1, r.14).

"Regulation 81-101" means *Regulation 81-101 respecting Mutual Fund Prospectus Disclosure* (c. V-1.1, r.38).

"Regulation 81-106" means *Regulation 81-106 respecting Investment Fund Continuous Disclosure* (c. V-1.1, r. 42).

"Regulation 81-107" means *Regulation 81-107 respecting Independent Review Committee for Investment Funds* (c. V-1.1, r. 43).

"Special Meetings" means the special meetings held on January 15, 2016 and the adjourned special meetings held on January 25, 2016 in connection with the Proposed Transaction.

"Stanton" means Stanton Asset Management Inc.

"Sub-Advisory Agreement" is defined at paragraph 28 hereof.

"Tax-Deferred Mergers" is defined at paragraph 44 hereof.

"Taxable Mergers" is defined at paragraph 45 hereof.

"TERs" is defined at paragraph 11 hereof.

Representations

This decision is based on the following facts represented by the Filer:

The Filer

1. The Filer is the investment fund manager and the trustee of the O'Leary Funds.

2. The Filer is a limited partnership formed under the laws of Ontario.

3. The Filer's head office is located in Montreal, Quebec.

4. The Filer is registered as an investment fund manager under the securities legislation of Québec, Ontario and Newfoundland and Labrador.

5. The Filer in not in default of securities legislation in any province of Canada.

The O'Leary Funds

6. Each of the O'Leary Mutual Funds is a mutual fund formed as a trust.

7. Each of the O'Leary Closed-End Funds is a non-redeemable investment fund formed as a trust.

8. The O'Leary Funds, other than the Reference Funds, are reporting issuers under the securities legislation of each province of Canada and each Reference Fund is a reporting issuer under the securities legislation of Quebec.

9. The securities of the O'Leary Mutual Funds are qualified for distribution by simplified prospectus governed by Regulation 81-101 and are currently offered under a simplified prospectus and annual information form each dated June 23, 2015, as amended by amendments to each dated November 27, 2015.

10. The securities of the O'Leary Closed-End Funds (other than the Reference Funds) were distributed in each of the provinces of Canada under a long form prospectus governed by Regulation 41-101.

11. The O'Leary Funds are not in default of securities legislation in any province of Canada.

    Notwithstanding the foregoing, the Filer announced on January 11, 2016 by press release that it was refiling the interim management report of fund performance of Floating Rate Income Fund and O'Leary U.S. Strategic Yield Advantaged Fund for the six-month period ended June 30, 2015 (the **MRFPs**) to restate the management expense ratios (**MERs**) as well as restate the trading expense ratios (**TERs**) of each of these two funds since their respective inception dates to take into account the fees and expenses of the relevant reference fund. Given that the two funds have been in existence for less than 5 years, the refiled MRFPs contain all the relevant MER and TER information for the two funds. The Filer has paid for all the costs associated with the MER corrections.

12. Stanton is the portfolio manager of the O'Leary Funds.

13. CIBC Mellon is the custodian of the O'Leary Funds.

Canoe Financial LP

14. Canoe is the investment fund manager of the Canoe Funds.

15. Canoe is a limited partnership formed under the laws of Alberta.

16. Canoe's head office is in Calgary, Alberta.

17. Canoe is registered as an investment fund manager under the securities legislation of Alberta, Newfoundland and Labrador, Ontario and Québec, as a portfolio manager under the securities legislation of Alberta and Ontario and as exempt market dealer under the securities legislation of each of the jurisdictions of Canada.

18. Canoe is the trustee of the Canoe Funds that are mutual funds and formed as trusts.

19. CIBC Mellon is the custodian of the Canoe Funds that are mutual funds.

20. Canoe is not in default of securities legislation in any jurisdiction of Canada.

Canoe Continuing Funds

21. Each of the Canoe Continuing Funds is a mutual fund governed by a master declaration of trust or a mutual fund structured as a share class of the Fund Corp. as the case may be.

22. The Canoe Continuing Funds are reporting issuers under the securities legislation of each of the jurisdictions of Canada.

23. The securities of the Canoe Continuing Funds are qualified for distribution by simplified prospectus governed by Regulation 81-101 and are currently offered under a simplified prospectus and annual information form each dated July 27, 2015, as amended by amendments to each dated October 30, 2015, December 4, 2015 and January 5, 2016.

24. The Canoe Funds are qualified investments for registered tax plans, as such term is defined under the ITA.

25. The Canoe Funds are not in default of applicable securities legislation in any jurisdictions of Canada.

The Proposed Transaction

26. Pursuant to the Asset Purchase Agreement, Canoe has agreed to purchase from O'Leary the rights to manage the O'Leary Funds, along with certain related assets in consideration for a payment in cash and, subject to the level of assets under management of the O'Leary Funds 12 months after the execution of the Asset Purchase Agreement, the issuance of an equity interest in Canoe, which is expected to represent less than 10% of the aggregate equity interests in Canoe. Canoe intends to, amongst other things:

    (a) change the investment fund manager, the trustee and the portfolio manager of the O'Leary Funds, change the names of those O'Leary Funds that contain "O'Leary" in their names and merge the O'Leary Merging Funds into the Continuing Funds;

    (b) terminate or wind-up O'Leary Floating Rate Portfolio Trust into Floating Rate Income Fund (to be merged, on or about the end of July 2016, into O'Leary Floating Rate Income Fund (name to be changed to Canoe Floating Rate Income Fund)) and terminate or wind-up O'Leary U.S. Portfolio Trust into O'Leary U.S. Strategic Yield (to be merged, on or about the end of May 2016, into Canoe North American Monthly Income Class);

    (c) change the investment objectives and strategies of certain O'Leary Funds, have certain O'Leary Funds adopt the form of master declaration of trust used by the Canoe Funds and have certain O'Leary Funds adopt the fixed administration fee expense structure used by the Canoe Funds; and

    (d) retain Stanton, the current portfolio manager of the O'Leary Funds, to act as sub-advisor in respect of certain Continuing Funds and for Mr. Kevin O'Leary, Chairman and a director of the general partner of O'Leary, to enter into an 18-month part-time consulting agreement with Canoe pursuant to which he will act as Vice Chairman of Canoe in order to provide marketing assistance to Canoe during the transition following Closing.

    (the **Proposed Transaction**).

27. As a result, effective as at the Closing Date, and subject to receipt of all necessary regulatory and unitholder approvals and the satisfaction of all other required conditions precedent set out in the Asset Purchase Agreement, including approval of certain Mergers, the Change of Manager will occur.

28. Also effective on Closing, Stanton will become sub-advisor of the following O'Leary Funds in accordance with the terms of a sub-advisory agreement between Canoe and Stanton (the **Sub-Advisory Agreement**):

- Canoe Floating Rate Income Fund (formerly O'Leary Floating Rate Income Fund);
- Floating Rate Income Fund (until such time as it is merged into Canoe Floating Rate Income Fund, formerly O'Leary Floating Rate Income Fund);
- O'Leary Floating Rate Portfolio Trust (until such time as the forward agreement is terminated and the assets are transferred into Canoe Floating Rate Income Fund, formerly O'Leary Floating Rate Income Fund);
- Canoe Canadian Corporate Bond Fund (formerly O'Leary Canadian Bond Yield Fund).

29. A press release in connection with the Proposed Transaction was issued and disseminated on October 15, 2015 and a related material change report was filed on the same day, and an additional press release and material change report concerning the Proposed Transaction were issued and filed on October 26, 2015. Amendments to the simplified prospectus, annual information form and fund facts documents of the O'Leary Mutual Funds were filed on SEDAR in connection with the Proposed Transaction on October 26, 2015.

30. After the Closing Date, the fourteen O'Leary Funds set forth below (the **O'Leary Merging Funds**) will be merged into corresponding Continuing Funds, as follows:

O'Leary Merging Fund	**Continuing Fund**
O'Leary Mutual Funds	
O'Leary Canadian Balanced Income Fund	Canoe Canadian Monthly Income Class
O'Leary Canadian High Income Fund	Canoe Equity Income Class
O'Leary Conservative Income Fund	Canoe Enhanced Income Fund

O'Leary Merging Fund	Continuing Fund
O'Leary Emerging Markets Income Fund	Canoe Global Equity Income Class
O'Leary Global Bond Yield Advantaged Fund	Canoe Global Income Fund
O'Leary Global Bond Yield Fund	Canoe Strategic High Yield Fund
O'Leary Global Dividend Fund	Canoe Global Equity Income Class
O'Leary Global Growth & Income Fund	Canoe North American Monthly Income Class
O'Leary Tactical Income Fund	Canoe Global Income Fund
O'Leary U.S. Strategic Yield Fund	Canoe North American Monthly Income Class
O'Leary Closed-End Funds	
Convertible Debentures Income Fund	Canoe Canadian Asset Allocation Class
Floating Rate Income Fund	O'Leary Floating Rate Income Fund (to be renamed Canoe Floating Rate Income Fund)
O'Leary Canadian Diversified Income Fund	Canoe Equity Income Class
O'Leary U.S. Strategic Yield Advantaged Fund	Canoe North American Monthly Income Class

31. The O'Leary Continuing Funds, other than the Reference Funds, will continue to exist with certain changes following Closing. The Reference Funds are expected to be terminated or wound-up prior to the Merger of the corresponding O'Leary Merging Fund to which each relates.

32. Those O'Leary Funds that contain the name "O'Leary" in their name will undergo a name change at the time of Closing and continue under the Canoe banner.

33. In accordance with the provisions of Regulation 81-107, O'Leary referred the Proposed Transaction to the O'Leary IRC for its review. On November 18, 2015, the O'Leary IRC advised O'Leary that, after reasonable inquiry, the Proposed Transaction achieves a fair and reasonable result for the O'Leary Funds. Canoe also referred the Proposed Transaction, including the Mergers, to the Canoe IRC for its review. On November 5, 2015, the Canoe IRC advised Canoe that, after reasonable inquiry, the Mergers achieve a fair and reasonable result for each of the relevant Canoe Funds.

34. The Circular was mailed to unitholders of the O'Leary Funds on December 18, 2015 and filed on SEDAR in accordance with applicable securities legislation. The Circular contained:

    (a) sufficient information regarding the business, management and operations of Canoe, including details of the funds it manages and its officers and board of directors;

    (b) all information necessary to allow unitholders to make an informed decision about the Change of Manager and to vote on the Change of Manager;

    (c) all information necessary to allow unitholders to make an informed decision about the Mergers and to vote on each Merger; and

    (d) all information required in connection with the Change of Manager and the Mergers as specified by section 5.4 of Regulation 81-102.

    All other information and documents necessary to comply with the applicable proxy solicitation requirements of securities legislation for the Special Meetings have been mailed to unitholders of the O'Leary Funds. The most recently filed fund facts of the relevant Continuing Funds, as applicable, were also included with the Circular.

35. At Special Meetings held on January 15, 2016, unitholders of each O'Leary Fund were asked to vote on the Change of Manager and unitholders of certain O'Leary Funds were also asked to vote on certain other proposals relating to a change of trustee, a change of investment objectives, a change to a fixed administration fee and the Mergers.

36. Unitholders of each O'Leary Fund approved each proposal at the Special Meetings held on January 15, 2016, other than the Change of Manager proposal for the Extraordinary Resolution Funds.

37. As the Extraordinary Resolution Funds did not obtain quorum at the January 15, 2016 meeting, the Special Meetings in respect of the Change of Manager proposal for these funds were adjourned to January 25, 2016. Unitholders of each Extraordinary Resolution Fund approved the Change of Manager proposal at these adjourned Special Meetings.

Details of the Mergers

38. The specific steps to implement the Mergers are described below. The result of the Mergers will be that investors in the O'Leary Merging Funds will cease to be unitholders in the O'Leary Merging Funds and will become securityholders in the Continuing Funds.

39. Unitholders of the O'Leary Merging Funds will receive securities of a similar series of a Continuing Fund as they currently own in the corresponding O'Leary Merging Fund.

40. The management fee of each relevant series of each Continuing Fund is the same as, or lower than, the management fee of the corresponding series of its corresponding O'Leary Merging Fund, other than the corresponding series of each O'Leary Closed-End Fund, where it is the same as, or lower than, the effective combined management fee and trailing commission (and management fee of the Reference Fund, if applicable) of the O'Leary Closed-End Fund.

41. The Canoe Continuing Funds have all adopted a fixed administration fee structure while the O'Leary Merging Funds have a floating expense structure. Unitholders of five O'Leary Mutual Funds approved, at the Special Meetings, a proposal to adopt a fixed administration fee structure. The Circular clearly delineates the differences in the management and administration fees and expense structures between the O'Leary Merging Funds and the Continuing Funds.

42. The investment objectives of each O'Leary Merging Fund are not substantially similar to the investment objectives of its corresponding Continuing Fund. The Circular clearly delineates the differences in investment objectives, investment strategies and other material differences between each O'Leary Merging Fund and the relevant Continuing Fund into which it will be merged.

43. No sales charges will be payable by unitholders of the O'Leary Merging Funds in connection with the Mergers.

44. Five of the Mergers will be effected as a Qualifying Exchange (the **Tax-Deferred Mergers**).

45. The other nine Mergers, involving a merger into a Continuing Fund that is a class of Fund Corp., will be effected on a taxable basis (the **Taxable Mergers**), as follows:

O'Leary Merging Fund	**Canoe Continuing Fund**
O'Leary Mutual Funds	
O'Leary Canadian Balanced Income Fund	Canoe Canadian Monthly Income Class
O'Leary Canadian High Income Fund	Canoe Equity Income Class
O'Leary Emerging Markets Income Fund	Canoe Global Equity Income Class
O'Leary Global Dividend Fund	Canoe Global Equity Income Class
O'Leary Global Growth & Income Fund	Canoe North American Monthly Income Class
O'Leary U.S. Strategic Yield Fund	Canoe North American Monthly Income Class
O'Leary Closed-End Funds	
Convertible Debentures Income Fund	Canoe Canadian Asset Allocation Class
O'Leary Canadian Diversified Income Fund	Canoe Equity Income Class
O'Leary U.S. Strategic Yield Advantaged Fund	Canoe North American Monthly Income Class

46. The Circular provided a summary of the anticipated tax implications to securityholders of the O'Leary Merging Funds and the Continuing Funds as a result of the Mergers.

47. The costs and expenses associated with the Mergers (consisting primarily of proxy solicitation, printing, mailing, legal and regulatory fees), including the costs of the Meetings but not including certain fees and expenses with respect to the IRC, will be borne by O'Leary or Canoe and will not be charged to the O'Leary Merging Funds.

48. Unitholders of each O'Leary Merging Fund which is an O'Leary Mutual Fund will continue to have the right to redeem their units for cash or switch into units of another O'Leary Mutual Fund at any time up to the close of business on the business day immediately before the effective date of the applicable Merger. Securities so redeemed will be redeemed at a price equal to their series net asset value per security on the redemption date. Unitholders of each O'Leary Merging Fund which is an O'Leary Closed-End Fund will continue to have the right to redeem units of the O'Leary Closed-End Fund in accordance with the provisions and in respect of the annual redemption option applicable to such fund prior to the effective date of the applicable Merger including the ability to redeem at 100% of the net asset value per unit (less any costs and expenses incurred by the O'Leary Closed-End Fund in funding the redemption) prior to the effective date.

49. Following the Mergers, all pre-authorized purchase plans that had been established with respect to the O'Leary Merging Funds will be re-established on a class or series-for-series basis in the applicable Continuing Funds unless a securityholder advises Canoe otherwise. Securityholders may change or cancel any pre-authorized purchase plan at any time.

50. The Mergers will not constitute a material change for any of the Continuing Funds.

51. The O'Leary Merging Funds have complied with Part 11 of Regulation 81-106 in connection with the making of the decision by the board of directors of the general partner of O'Leary to proceed with the Proposed Transaction, including the Mergers.

52. O'Leary is not entitled to rely upon the approval of the O'Leary IRC in lieu of unitholder approval for the Mergers due to the fact that one or more conditions of section 5.6 of Regulation 81-102 will not be met, as required by paragraph 5.3(2)(c) of Regulation 81-102, as described below:

O'Leary Merging Funds	**Continuing Funds**	**Reason why pre-approval is not available**
O'Leary Mutual Funds		
O'Leary Canadian Balanced Income Fund	Canoe Canadian Monthly Income Class	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar • s. 5.6(1)(b) – merger not effected as a Qualifying Exchange or other tax-deferred transaction under the ITA
O'Leary Canadian High Income Fund	Canoe Equity Income Class	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar, however they will be substantially similar if the investment objectives and fee structure changes are approved by unitholders • s. 5.6(1)(b) – merger not effected as a Qualifying Exchange or other tax-deferred transaction under the ITA
O'Leary Conservative Income Fund	Canoe Enhanced Income Fund	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar
O'Leary Emerging Markets Income Fund	Canoe Global Equity Income Class	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar • s. 5.6(1)(b) – merger not effected as a Qualifying Exchange or other tax-deferred transaction under the ITA

O'Leary Merging Funds	Continuing Funds	Reason why pre-approval is not available
O'Leary Global Bond Yield Advantaged Fund	Canoe Global Income Fund	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar
O'Leary Global Bond Yield Fund	Canoe Strategic High Yield Fund	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar
O'Leary Global Dividend Fund	Canoe Global Equity Income Class	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar • s. 5.6(1)(b) – merger not effected as a Qualifying Exchange or other tax-deferred transaction under the ITA
O'Leary Global Growth & Income Fund	Canoe North American Monthly Income Class	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar • s. 5.6(1)(b) – merger not effected as a Qualifying Exchange or other tax-deferred transaction under the ITA
O'Leary Tactical Income Fund	Canoe Global Income Fund	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar
O'Leary U.S. Strategic Yield Fund	Canoe North American Monthly Income Class	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar • s. 5.6(1)(b) – merger not effected as a Qualifying Exchange or other tax-deferred transaction under the ITA
O'Leary Closed-End Funds		
Convertible Debentures Income Fund	Canoe Canadian Asset Allocation Class	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar • s. 5.6(1)(b) – merger not effected as a Qualifying Exchange or other tax-deferred transaction under the ITA
Floating Rate Income Fund	O'Leary Floating Rate Income Fund (to be renamed Canoe Floating Rate Income Fund)	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar
O'Leary Canadian Diversified Income Fund	Canoe Equity Income Class	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar • s. 5.6(1)(b) – merger not effected as a Qualifying Exchange or other tax-deferred transaction under the ITA
O'Leary U.S. Strategic Yield Advantaged Fund	Canoe North American Monthly Income Class	• s. 5.6(1)(a)(i) – not the same manager • s. 5.6(1)(a)(ii) – fundamental investment objectives and fee structure not substantially similar • s. 5.6(1)(b) – merger not effected as a Qualifying Exchange or other tax-deferred transaction under the ITA

53. Each Merger was contingent upon the Change of Manager. All required approvals from the unitholders of the O'Leary Funds for the Change of Manager were obtained at the Special Meetings.

Steps for each Merger

54. Prior to effecting the Mergers, if required, each O'Leary Merging Fund will sell any securities in its portfolio that do not meet the investment objectives and investment strategies of the applicable Continuing Fund. Consequently certain O'Leary Merging Funds may temporarily hold cash or money market instruments and may not be fully invested in accordance with their investment objectives for a brief period of time prior to the Merger being effected. Each of Floating Rate Income Fund and O'Leary U.S. Strategic Yield Advantaged Fund will, prior to effecting the Mergers, settle its forward contracts under which it obtained its investment exposure to the applicable Reference Fund and consequently will hold (i) cash and money market investments, (ii) units of the applicable Reference Fund, or (iii) portfolio assets transferred by the applicable Reference Fund.

55. The fair value of each O'Leary Merging Fund's portfolio assets and other assets will be determined at the close of business on the effective date of each applicable Merger in accordance with the constating documents of the applicable O'Leary Merging Fund.

56. Each Continuing Trust Fund or the Fund Corp. (in the case of Canoe Continuing Funds that are classes of Fund Corp.), as applicable, will acquire the investment portfolio assets and other assets of the corresponding O'Leary Merging Fund in exchange for securities of the Continuing Fund.

57. Each Continuing Trust Fund and the Fund Corp. will not assume any liabilities of the corresponding O'Leary Merging Fund and the O'Leary Merging Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the effective date of the applicable Merger.

58. The securities of each Continuing Fund received by the corresponding O'Leary Merging Fund will have an aggregate net asset value equal to the fair value of the portfolio assets and other assets that the Continuing Trust Fund or Fund Corp., as applicable, is acquiring from the O'Leary Merging Fund. The securities of the Continuing Fund will be issued at the applicable class or series net asset value per security as of the close of business on the effective date of the applicable Merger.

59. The O'Leary Merging Funds will distribute a sufficient amount of their net income and net realized capital gains, if any, to unitholders to ensure that they will not be subject to tax for their then current tax year.

60. Immediately thereafter, securities of each Continuing Fund received by the applicable O'Leary Merging Fund will be distributed to unitholders of the O'Leary Merging Fund in exchange for their units of the O'Leary Merging Fund on a dollar-for-dollar and class or series by series basis, as applicable.

61. As soon as reasonably possible following each Merger, and in any case within 60 days, the applicable O'Leary Merging Fund will be wound-up.

62. The Tax-Deferred Mergers will be implemented in a manner that would constitute a Qualifying Exchange. As a result, these O'Leary Merging Funds and the unitholders of such O'Leary Merging Funds will not realize any net capital gains or losses on these Tax-Deferred Mergers. However, the O'Leary Merging Funds will realize capital gains and capital losses on the sale of portfolio assets, or the settlement of forward contracts, prior to the Tax-Deferred Mergers.

63. The Taxable Mergers cannot be implemented on a completely tax-deferred basis and therefore these Mergers will be a taxable transaction. The capital gains and capital losses on the portfolio assets and the forward contracts of these O'Leary Merging Funds will be realized, and any net capital gains will be distributed to unitholders of these O'Leary Merging Funds. The unitholders of these O'Leary Merging Funds will realize any accrued capital gain or capital loss on their units of such O'Leary Merging Funds.

64. In the opinion of the Filer, the Mergers will be beneficial to unitholders of the O'Leary Merging Funds for the following reasons:

    (a) Canoe has indicated that the management fees of each series of each O'Leary Merging Fund will not increase on completion of the Mergers and that the MERs of each series of each Continuing Fund are expected to be similar to the MER of its corresponding series of the O'Leary Merging Fund after waivers and absorptions;

    (b) each Continuing Fund will have a portfolio of greater value, allowing for increased portfolio diversification opportunities, which may lead to increased returns and/or to a reduction of risk;

(c) each Continuing Fund, as a result of its greater size, will benefit from a larger profile in the marketplace by potentially attracting more securityholders and enabling it to maintain a "critical mass";

(d) a line-up consisting of fewer mutual funds that target similar types of investors will allow Canoe to concentrate its marketing efforts to attract additional assets in the Canoe Funds; ultimately this benefits securityholders as it ensures that each Continuing Fund remains a viable, long-term investment vehicle for existing and potential investors;

(e) for those investors that become securityholders of a class of the Fund Corp. (the **Corporate Class Funds**), the Continuing Fund will allow greater investment flexibility as investors can switch into other classes within the Fund Corp. without realizing an immediate capital gain on the securities of the Corporate Class Funds; each Corporate Class Fund represents a different portfolio of assets with a separate investment objective providing investors with investment flexibility and diversification opportunities; and

(f) for those O'Leary Merging Funds which are closed-end funds, investors in each Continuing Fund are entitled to buy or redeem all or any portion of their securities daily at the applicable net asset value, resulting in greater liquidity.

65. The Taxable Mergers involve mergers of an O'Leary Merging Fund that is a trust into a Continuing Fund that is a class of Fund Corp. There is no fully tax deferred method to effect such mergers because:

(a) a Qualifying Exchange is only available where the Continuing Fund is a mutual fund trust under the ITA;

(b) a tax-deferred amalgamation under section 87 of the ITA is only available where the O'Leary Merging Fund and the Continuing Fund are both corporations;

(c) a tax deferred transaction under section 86 of the ITA is not available where a trust, such as an O'Leary Merging Fund, is merging into a corporation; and

(d) a tax deferred merger would be available under section 85 of the ITA but it does not result in a fully tax deferred merger. Under this provision, unitholders of the O'Leary Merging Fund would be offered the option of deferring a capital gain on their units by way of a transfer of those units to Fund Corp. Those gains would effectively be transferred to Fund Corp. and realized upon the wind-up of the O'Leary Merging Funds. As a result, Fund Corp. would be required to distribute those capital gains by way of capital gains dividends to other shareholders in Fund Corp. (i.e. to those who were not unitholders in the O'Leary Merging Fund) which Canoe does not view as equitable, as only those shareholders who were formerly invested in the O'Leary Merging Fund experienced the gains.

66. O'Leary and Canoe have analyzed the tax implications of the Mergers from the perspective of unitholders of the O'Leary Merging Funds as well as from the perspective of the O'Leary Merging Funds and the Continuing Funds and have concluded that it is more appropriate to effect the Taxable Mergers on a taxable basis.

67. No commission or other fee will be charged to unitholders of the O'Leary Merging Funds on the issue or exchange of securities of the O'Leary Merging Funds into the Continuing Funds.

Change of Manager

68. In the opinion of the Filer, other than with respect to the changes related to the Proposed Transaction and disclosed in the Circular, the Proposed Transaction is not expected to have any material impact on the business, operations or affairs of the O'Leary Funds or the unitholders of the O'Leary Funds. Canoe intends to manage and administer the O'Leary Funds in a similar manner as O'Leary.

69. All material agreements regarding the administration of the O'Leary Funds will either be amended and restated by Canoe or be terminated and Canoe will enter into new agreements with the relevant service provider, as required. Subject to obtaining any necessary approvals, Canoe will become the successor trustee, investment fund manager and portfolio manager of the O'Leary Funds. CIBC Mellon will remain the custodian of the O'Leary Funds. Stanton will cease to act as portfolio manager of the O'Leary Funds but will be appointed as sub-advisor to certain O'Leary Funds.

70. In the opinion of the Filer, the Change of Manager will be beneficial to unitholders of the O'Leary Funds as it is expected to lead to greater efficiencies, economies of scale and a pooling of resources which will create an even stronger group of Canoe Funds to serve investors.

General

71. Neither the O'Leary Funds nor the Canoe Funds will bear any of the costs and expenses, including any portfolio realignment costs, associated with the Proposed Transaction, including the Mergers, Change of Manager, change of investment objectives and other changes, except for certain fees and expenses with respect to the independent review committees. Any costs and expenses associated with the Proposed Transaction will be borne by O'Leary and/or Canoe, as determined between the parties.

72. The Proposed Transaction has been the result of an extensive analysis by the Filer of trends in the investment fund industry and the need for consolidation given increasing costs and regulatory requirements. After exploring various possible strategies, the Filer determined that a sale to Canoe of the rights to manage the O'Leary Funds would be the best alternative for the O'Leary Funds.

73. The current individuals comprising the O'Leary IRC will automatically cease to be members of the O'Leary IRC by operation of paragraph 3.10(1)(c) of Regulation 81-107 following the Proposed Transaction. Canoe intends that the new members of the independent review committee of the O'Leary Funds will be the same individuals that currently comprise the Canoe IRC. As a result, the O'Leary Funds will continue to have independent oversight from individuals who are experienced at considering conflict of interest matters in the investment fund industry.

74. The Filer considers that the experience and integrity of each of the members of Canoe's current management team is apparent by their education and years of experience in the investment industry. Following the Proposed Transaction, it is expected that all of the current officers and directors of Canoe will continue on in their current capacities and that they will continue to have the requisite integrity and experience as contemplated under subparagraph 5.7(1)(a)(v) of Regulation 81-102.

75. The Closing will not adversely affect Canoe's financial position or its ability to fulfill its regulatory obligations.

76. Canoe and O'Leary are not related parties. Except pursuant to the Proposed Transaction, there are no relationships between Canoe and O'Leary (or their respective affiliates).

77. The Approvals Sought are not detrimental to the protection of investors in the O'Leary Funds or prejudicial to the public interest.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Approvals Sought are granted.

"Hugo Lacroix"
Senior Director, Investment Funds
Autorité des marchés financiers

2.1.2 Schneider Electric S.E.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus and dealer registration requirements for certain trades made in connection with an employee share offering by a French issuer – The offering involves the use of collective employee shareholding vehicles, each a fonds communs de placement d'entreprise (FCPE) – The Filer cannot rely on the employee prospectus exemption in section 2.24 of National Instrument 45-106 Prospectus and Registration Exemptions and the Manager cannot rely on the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements and Exemptions as the shares are not being offered to Canadian employees directly by the issuer but through the FCPEs – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74.
National Instrument 31-103 Registration Requirements and Exemptions, s. 8.16.
National Instrument 45-102 Resale of Securities, s. 2.14.
National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.24.

February 23, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
SCHNEIDER ELECTRIC S.E.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") for:

1. an exemption from the prospectus requirements of the Legislation (the "**Prospectus Relief**") so that such requirements do not apply to

   (a) trades in:

      (i) units (the "**Principal Classic Units**") of an FCPE (as defined below) named *Schneider Actionnariat Mondial* (the "**Principal Classic FCPE**"), which is a *fonds commun de placement d'entreprise* or "**FCPE**," a form of collective shareholding vehicle commonly used in France for the conservation of shares held by employee-investors; and

      (ii) units (together with the Principal Classic Units, the "**Units**") of a temporary FCPE named *Schneider Relais International 2016* (the "**Temporary Classic FCPE**"), which will merge with the Principal Classic FCPE following the WESOP (as defined below) as further described in paragraph 13 of the Representations,

   made pursuant to the WESOP to or with Qualifying Employees (as defined below) resident in the Jurisdiction and in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova

Scotia and Newfoundland and Labrador (collectively, the "**Canadian Employees**", and Canadian Employees who subscribe for Units, the "**Canadian Participants**"); and

(b) trades of ordinary shares of the Filer (the "**Shares**") by the Principal Classic FCPE and/or the Temporary Classic FCPE to or with Canadian Participants upon the redemption of Units thereof as requested by Canadian Participants;

2. an exemption from the dealer registration requirements of the Legislation (the "**Registration Relief**") so that such requirements do not apply to the Schneider Electric Group (as defined below and which, for clarity, includes the Filer and the Local Affiliates (as defined below)), the Temporary Classic FCPE, the Principal Classic FCPE and NATIXIS Asset Management (the "**Management Company**") in respect of:

(a) trades in Units made pursuant to the WESOP to or with Canadian Employees; and

(b) trades in Shares by the Temporary Classic FCPE and/or the Principal Classic FCPE to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants.

(the Prospectus Relief and the Registration Relief, collectively, the "**Offering Relief**")

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application),

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning as used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer under the Legislation or under the securities legislation of any other jurisdiction of Canada. The head office of the Filer is located in France and the Shares are listed on Euronext. The Filer is not in default under the Legislation or under the securities legislation of any other jurisdiction of Canada.

2. The Filer carries on business in Canada through certain affiliated companies that employ Canadian Employees, including Control Microsystems Inc., Invensys Canada Inc., Schneider Electric Systems Canada Inc., Power Measurement Ltd., Schneider Electric Canada Inc., Schneider Electric IT Corporation, Telvent Canada Ltd., Telvent DTN, LLC, and Viconics Technologies Inc. (collectively, the "**Local Affiliates**," together with the Filer and other affiliates of the Filer, the "**Schneider Electric Group**"). None of the Local Affiliates is in default under the Legislation or the securities legislation of any other jurisdiction of Canada.

3. Each of the Local Affiliates is a direct or indirect controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer under the Legislation or under the securities legislation of any other jurisdiction of Canada. The Canadian headquarters of the Schneider Electric Group are in Ontario, there are more assets of the Schneider Electric Group in Ontario than in any other jurisdiction of Canada and there are more clients of the Schneider Electric Group in Ontario than in any other jurisdiction of Canada.

4. As of the date hereof and after giving effect to the WESOP, Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Principal Classic FCPE and the Temporary Classic FCPE on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.

5. The Filer has established a global employee share offering for employees of the Schneider Electric Group (the "**World Employee Share Ownership Plan**" or "**WESOP**"). The WESOP involves an offering of Shares to be subscribed

through the Principal Classic FCPE via the Temporary Classic FCPE (as further described in paragraph 13) (the "**Classic Plan**").

6. Only persons who are employees of a member of the Schneider Electric Group until the end of the subscription period for the WESOP and who meet other employment criteria (the "**Qualifying Employees**") will be allowed to participate in the WESOP.

7. The Temporary Classic FCPE has been established for the purpose of implementing the WESOP. The Principal Classic FCPE has been established for the purpose of implementing employee share offerings of the Filer, generally. There is no current intention for either the Principal Classic FCPE or the Temporary Classic FCPE to become a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.

8. Each of the Temporary Classic FCPE and the Principal Classic FCPE is an FCPE which is a shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee-investors. The Principal Classic FCPE and the Temporary Classic FCPE have been registered with the French Autorité des marchés financiers (the "**French AMF**"). Only Qualifying Employees will be allowed to hold Units issued pursuant to the WESOP.

9. All Units acquired pursuant to the WESOP by Canadian Participants will be subject to a hold period of approximately five years (the "**Lock-Up Period**"), subject to certain exceptions provided for in the Schneider Electric International Employee Shareholding Plan and adopted under the Classic Plan in Canada (such as a release on death or termination of employment, or the exception that the Canadian Participant's employer ceases to be an affiliate of the Filer).

10. Under the Classic Plan, Canadian Participants will subscribe for Units in the Temporary Classic FCPE, and the Temporary Classic FCPE will then subscribe for Shares on behalf of Canadian Participants using the Canadian Participants' contributions and the employer contributions from Local Affiliates that employ the Canadian Participants, as described in paragraph 11. The subscription price will be the Canadian dollar equivalent equal to the average of the opening price of the Shares (expressed in Euros) on Euronext on the 20 trading days preceding the date of fixing of the subscription price by the Management Board of the Filer, less a 20% discount.

11. As indicated above, the Local Affiliate employing a Canadian Participant will also contribute on behalf of such Canadian Participant an amount into the Classic Plan. For each contribution that a Canadian Participant makes into the Classic Plan up to and including the Canadian dollar equivalent of 1,000 Euros, the Local Affiliate employing such Canadian Participant will contribute an additional 100% of such amount into the Classic Plan on behalf of such Canadian Participant. For the portion of each contribution that a Canadian Participant makes that is equal to or greater than the Canadian dollar equivalent of 1,001 Euros and up to and including the Canadian dollar equivalent of 1,800 Euros, the Local Affiliate employing such Canadian Participant will contribute an additional 50% of such amount into the Classic Plan on behalf of such Canadian Participant.

12. For clarity, the maximum contribution by a Local Affiliate in respect of a Canadian Participant is the Canadian dollar equivalent of 1,400 Euros (i.e., 100% of the Canadian dollar equivalent of first 1,000 Euros contribution and 50% of the Canadian dollar equivalent of the next 800 Euros contribution).

13. Initially, the Shares subscribed for will be held in the Temporary Classic FCPE and the Canadian Participant will receive Units in the Temporary Classic FCPE. Following the completion of the WESOP, the Temporary Classic FCPE will be merged with the Principal Classic FCPE (subject to the approval of the supervisory board of the FCPEs and the French AMF). Units of the Temporary Classic FCPE held by Canadian Participants will be replaced with Units of the Principal Classic FCPE on a pro rata basis and the Shares subscribed for under the WESOP will be held in the Principal Classic FCPE (the "**Merger**").

14. The term "**Classic FCPE**" used herein means, prior to the Merger, the Temporary Classic FCPE, and following the Merger, the Principal Classic FCPE.

15. Under the Classic Plan, at the end of the Lock-Up Period a Canadian Participant may

    (a) request the redemption of Units in the Classic FCPE in consideration for a cash payment equal to the then market value of the Shares, or

    (b) continue to hold Units in the Classic FCPE and request the redemption of those Units at a later date in consideration for a cash payment equal to the then market value of the Shares.

Subject to certain changes in the regulations of the Classic FCPE which may be made, a Canadian Participant may be permitted to request the redemption of his or her Units in the Classic FCPE in consideration for the underlying Shares (instead of a cash payment) at or after the end of the Lock-Up Period.

16. In the event of an early unwind resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period and meeting the applicable criteria, a Canadian Participant may request the redemption of Units in the Classic FCPE in consideration for a cash payment equal to the then market value of the underlying Shares.

17. Dividends paid on the Shares held in the Classic FCPE will be contributed to the Classic FCPE and used to purchase additional Shares. To reflect this reinvestment, no new Units will be issued. Instead, the reinvestment will increase the asset base of the Classic FCPE as well as the value of the Units held by Canadian Participants.

18. The subscription price will not be known to Canadian Employees until after the end of the subscription period. However, this information will be provided to Canadian Employees prior to the start of the revocation period, during which Canadian Participants may choose to revoke all (but not part) of their subscription under the Classic Plan and thereby not participate in the WESOP.

19. Each of the Temporary Classic FCPE and the Principal Classic FCPE is an FCPE, which is a limited liability entity under French law. The portfolio of each of the Principal Classic FCPE and the Temporary Classic FCPE will consist almost entirely of Shares, but may, from time to time, include cash in respect of dividends paid on the Shares which will be reinvested in Shares and cash or cash equivalents pending investments in Shares and for the purposes of Unit redemptions.

20. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage investments and complies with the rules of the French AMF. To the best of the Filer's knowledge, the Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.

21. The Management Company's portfolio management activities in connection with the WESOP and the Principal Classic FCPE and the Temporary Classic FCPE are limited to subscribing for Shares from the Filer, selling such Shares as necessary in order to fund redemption requests and investing available cash in cash equivalents.

22. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of each of the Principal Classic FCPE and the Temporary Classic FCPE. The Management Company's activities do not affect the underlying value of the Shares and the Management Company will not be involved in providing advice to any Canadian Employees with respect to an investment in the Units. The Management Company is not in default of the Legislation or the securities legislation of any other jurisdiction of Canada.

23. Shares issued pursuant to the WESOP will be deposited in the Classic FCPE through CACEIS Bank (the "**Depositary**"), a large French commercial bank subject to French banking legislation.

24. Under French law, the Depositary must be selected by the Management Company from among a limited number of companies identified on a list maintained by the French Minister of the Economy and Finance and its appointment must be approved by the French AMF. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow each of the Principal Classic FCPE and the Temporary Classic FCPE to exercise the rights relating to the securities held in its respective portfolio.

25. The Unit value of the Classic FCPE will be calculated and reported to the French AMF on a regular basis, based on the net assets of the Classic FCPE divided by the number of Units outstanding. The value of Classic FCPE Units will be based on the value of the underlying Shares, but the number of Units of the Classic FCPE will not correspond to the number of the underlying Shares (e.g., dividends will be reinvested in additional Shares and increase the value of each Unit).

26. All management charges relating to the Classic FCPE will be paid from the assets of the Classic FCPE or by the Filer, as provided in the regulations of the Classic FCPE.

27. Participation in the WESOP is voluntary, and the Canadian Employees will not be induced to participate in the WESOP by expectation of employment or continued employment.

28. The total amount that may be invested by a Canadian Employee pursuant to the WESOP cannot exceed 25% of his or her gross annual compensation for the 2015 calendar year. Notwithstanding the foregoing, the employer of a Canadian Employee shall have the discretion to permit a Canadian Employee to use his or her estimated gross annual

compensation for the 2016 calendar year instead of actual 2015 gross annual compensation for the above-mentioned limits.

29. None of the Filer, the Management Company, the Local Affiliates or any of their directors, officers, employees, agents or representatives will provide investment advice to the Canadian Employees with respect to an investment in the Shares or the Units.

30. The Canadian Employees will receive an information package in the French or English language, according to their preference, which will include a summary of the terms of the WESOP and a description of Canadian income tax consequences of subscribing for and holding Units of the Classic FCPE and requesting the redemption of such Units at the end of the applicable Lock-Up Period. These documents will be available in both English and French.

31. Canadian Participants will have access to the Filer's French *Document de Référence* filed with the French AMF in respect of the Shares and a copy of the rules of the Temporary Classic FCPE and the Principal Classic FCPE. The Canadian Employees will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares.

32. Canadian Participants will receive an initial statement of their holdings under the Classic Plan, together with an updated statement at least once per year.

33. There are approximately 2,747 Canadian Employees resident in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (with the greatest number, approximately 694, 680, 662 and 648 resident in Alberta, Ontario, British Columbia and Quebec, respectively), who represent, in the aggregate, less than 2% of the number of employees in the Schneider Electric Group worldwide.

34. The Shares and Units are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares or the Units so listed.

Decision

The principal regulator is satisfied that the test contained in the Legislation that provides the principal regulator with the jurisdiction to make the decision has been met.

The decision of the principal regulator under the Legislation is that the Offering Relief is granted provided that the prospectus requirements of the Legislation will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision unless the following conditions are met:

(a) the issuer of the security

  (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

  (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

(b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada

  (i) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and

  (ii) did not represent in number more than 10% of the total number of owners, directly or indirectly, of securities of the class or series; and

(c) the first trade is made

  (i) through an exchange, or a market, outside of Canada, or

  (ii) to a person or company outside of Canada.

"Debroah Leckman"
Commissioner
Ontario Securities Commission

"Garnet W. Fenn"
Commissioner
Ontario Securities Commission

2.1.3 Canaccord Genuity Wealth Management (USA) Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application from U.S. broker-dealer for relief from dealer registration requirement, adviser registration requirement for incidental advice, and the prospectus requirement for the distribution of foreign securities that are traded pursuant to the registration exemptions on conditions that are similar to those provided in NI 35-101 Conditional Exemption from Registration for United States Broker-Dealers and Agents – Dealer registration relief includes relief for the filer and its dual representatives to trade in any securities for an individual ordinarily resident in the US who is temporarily resident in Ontario, or for an individual's tax-advantaged retirement savings plan if the plan is located in the US and the individual was previously resident in the US.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74.
Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 14-101 Definitions.
National Instrument 35-101 Conditional Exemption from Registration for United States Broker-Dealers and Agents.
OSC Rule 32-505 Conditional Exemption from Registration for United States Broker-Dealers and Advisers servicing U.S. Clients from Ontario.

February 26, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CANACCORD GENUITY WEALTH MANAGEMENT (USA) INC.
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in British Columbia and the securities regulatory authority or regulator in Ontario (the Dual Exemption Decision Makers) have received an application from the Filer for a decision under the securities legislation of those jurisdictions (the Legislation) for an exemption that:

(a) the dealer registration requirement and the adviser registration requirement do not apply to the Filer and its agents, who are also registered under the Legislation to trade on behalf of Canaccord Genuity Corp. (Canaccord Canada) as its dealing representatives (the Dual Representatives), in respect of trades to, with, or on behalf of, individuals referred to in section 2.1 and section 3.1 of National Instrument 35-101 *Conditional Exemption from Registration for United States Broker-Dealers and Agents* (such instrument, NI 35-101, and such individuals, NI 35-101 Clients), and in respect of advising activities that are solely incidental to the trading activities provided to NI 35-101 Clients by the Filer and the Dual Representatives, provided that such dealing and advising activities are conducted in accordance with all the terms and conditions of NI 35-101, except for the requirements that the Filer and its agents only trade in foreign securities (as defined in NI 35-101), that the Filer has its principal place of business in the United States of America (the U.S.), and that the Filer has no office or other physical presence in any jurisdiction in Canada (the NI 35-101 Client Relief); and

(b) the prospectus requirement and underwriter registration requirement do not apply to a distribution of a foreign security made by the Filer and the Dual Representatives when acting on behalf of the Filer, in respect of the NI 35-101 Clients, if they satisfy the conditions to the NI 35-101 Client Relief, and if

the distribution is made in compliance with all applicable U.S. federal securities laws and state securities legislation in the U.S. (the NI 35-101 Distribution Relief, together with the NI 35-101 Client Relief, the Dual Exemptive Relief).

The securities regulatory authority or regulator in British Columbia has received an application from the Filer for a decision under the securities legislation of British Columbia (the Local Legislation) for an exemption that:

(a) the dealer registration requirement and the adviser registration requirement do not apply to the Filer and its Dual Representatives in respect of trades in securities to, with, or on behalf of, persons or entities who are resident in the U.S. (U.S. Clients) and with respect to investment advice provided to such U.S. Clients while the Filer and the Dual Representatives are located in Canada (the Passport Exemptive Relief).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

(a) the British Columbia Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-202 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon Territory, the Northwest Territories and Nunavut (collectively, the Passport Jurisdictions);

(c) with respect to the Passport Exemptive Relief, the decision is the decision of the principal regulator; and

(d) with respect to the Dual Exemptive Relief, the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

3 This decision is based on the following facts represented by the Filer:

1. The Filer is registered as a broker-dealer under the 1934 Act, and is a member of the Financial Industry Regulatory Authority (FINRA). The Filer is not registered as a dealer in Canada.

2. The Filer is registered as an investment adviser with the SEC. The Filer is not registered as an adviser in Canada.

3. The Filer is an indirect subsidiary of Canaccord Genuity Group Inc., a reporting issuer in every jurisdiction of Canada and whose common shares are listed on the Toronto Stock Exchange and the London Stock Exchange.

4. The Filer was incorporated under the laws of the state of Minnesota and has its head office in British Columbia.

5. Canaccord Genuity Group Inc. is also the parent company of Canaccord Canada which is registered as a dealer under the Legislation in the category of investment dealer and is a dealer member of the Investment Industry Regulatory Organization of Canada (IIROC).

6. Canaccord Canada is not registered under U.S. federal securities laws or otherwise to carry on the business of a registered broker-dealer or investment adviser in the U.S.

7. The Filer and Canaccord Canada operate their head offices out of the same premises in British Columbia. The Filer does not currently have an office located in the U.S. Wherever the Filer has an office in Canada; the Filer operates out of the same premises as Canaccord Canada.

8. The Dual Representatives are representatives of the Filer who are registered under U.S. federal securities laws in respect of their trading activities and are also registered under the Legislation to trade on behalf of Canaccord Canada as dealing representatives of Canaccord Canada.

9. The Filer and its representatives are members of FINRA and the Filer's representatives are permitted to act on behalf of the Filer in respect of trades in securities to, with, or on behalf of, both institutional and retail U.S. Clients. The Filer and its representatives are subject to the full oversight and compliance requirements of FINRA.

10. The Filer is registered with the SEC to permit its representatives to provide discretionary and non-discretionary advice to U.S. Clients on behalf of the Filer. The Filer is subject to the full oversight and compliance requirements of the SEC.

11. In the course of the relationship between the Filer and its U.S. Clients, some U.S. Clients move to Canada with U.S. individual tax-advantaged retirement savings plans (U.S. Plans) maintained in the U.S. These U.S. Clients wish to continue to place trades through representatives of the Filer for their U.S. Plans.

12. NI 35-101 provides for exemptions from the dealer registration requirement, adviser registration requirement, prospectus requirement and underwriter registration requirement, for U.S. broker-dealers and their agents trading with or for NI 35-101 Clients, upon satisfying certain conditions.

13. The exemptions in NI 35-101 require that the U.S. broker-dealer have their principal place of business in the U.S. The Filer is unable to rely on the exemptions in NI 35-101 since its principal place of business is not in the U.S.

14. It is a condition of the exemption for U.S. broker-dealers in subsection 2.1(a) of NI 35-101, and for their agents in subsection 3.1(b) of NI 35-101, that the broker-dealer and their agents have no office or other physical presence in any jurisdiction in Canada. The Filer is unable to rely on the exemptions in NI 35-101 because the Filer has offices in Canada.

15. It is also a condition of the exemption for U.S. broker-dealers in subsection 2.1(b) of NI 35-101, and for their agents in subsection 3.1(c) of NI 35-101, to only trade in foreign securities. NI 35-101 Clients, who are now resident in Canada, wish to place trades with the Filer in both foreign securities and Canadian securities as their U.S. Plans permit investments in both foreign securities and Canadian securities. Accordingly, the Filer and the Dual Representatives wish to trade in both foreign securities and Canadian securities on behalf of such NI 35-101 Clients and therefore cannot rely on the exemptions in NI 35-101.

16. Other than NI 35-101 Clients, the Filer does not conduct any registrable activity with residents of Canada.

17. Where the Filer and the Dual Representatives trade to, with, or on behalf of U.S. Clients and NI 35-101 Clients, they comply with all U.S. federal securities law, and any other applicable U.S. securities law, in respect of those trades.

18. All U.S. Clients and NI 35-101 Clients of the Filer will enter into a customer agreement and associated account opening documentation with the Filer. All communications with U.S. Clients and NI 35-101 Clients will be through the Filer and be clearly identified as communications of the Filer.

19. The Filer commenced operations in Canada on or about October 1999. Its activities have been restricted to executing trades for and providing non-discretionary advice to U.S. Clients and NI 35-101 Clients. The activities of the Filer were conducted in compliance with applicable U.S. registration requirements and U.S. federal securities law. The Filer acknowledges that by virtue of engaging in registrable activity while having offices and employees located in a jurisdiction of Canada, the Filer is subject to applicable registration requirements in the applicable jurisdictions of Canada.

20. Other than engaging in registrable activity in Canada since 1999 without registration, or a registration exemption, as described above, the Filer is not in default of securities legislation in any jurisdiction of Canada.

21. The trading services offered by the Filer to NI 35-101 Clients is ancillary to the Filer's principal business.

22. British Columbia Instrument 32-525 *Exemptions from the dealer registration requirement and the adviser registration requirement in respect of trades and advice for U.S. resident clients*, and the related orders issued by the Passport Jurisdictions (collectively, the Parallel Orders), provide an exemption from the dealer

registration requirement and adviser registration requirement for U.S. advisers, broker-dealers, and their agents who are located in Canada and advising or trading for U.S. Clients, upon satisfying certain conditions.

23. It is a condition of the Parallel Orders that the U.S. broker-dealer or U.S. adviser does not trade securities for or advise clients resident in British Columbia and the Passport Jurisdictions.

24. The Filer and the Dual Representatives are unable to rely on the Parallel Orders as the Filer and Dual Representatives provide trading and advising services to NI 35-101 Clients, some of whom are resident in Canada.

25. In Ontario, the Filer and its Dual Representatives rely on Ontario Securities Commission Rule 32-505 *Conditional Exemption from Registration for United States Broker-Dealers and Advisers servicing U.S. Clients from Ontario* with respect to advising services provided to U.S. Clients and trades in securities to, with, or on behalf of U.S. Clients. As such, the Filer is not seeking the Passport Exemptive Relief in Ontario.

Decision

4 Each of the principal regulator and the securities regulatory authority or regulator in Ontario is satisfied that the decision meets the test set out in the Legislation for the relevant regulator or securities regulatory authority to make the decision.

The decision of the Dual Exemption Decision Makers under the Legislation is that the Dual Exemptive Relief is granted provided that:

1. the dealer registration requirement and the adviser registration requirement do not apply to the Filer and the Dual Representatives in respect of trades to, with, or on behalf of NI 35-101 Clients, and in respect of advising activities that are solely incidental to the trading activities provided to NI 35-101 Clients by the Filer and the Dual Representatives, only if

   (a) such activities are conducted in accordance with all the terms and conditions of NI 35-101, except for the requirements that the Filer and its agents only trade in foreign securities, that the Filer has its principal place of business in the U.S., and that the Filer has no office or other physical presence in any jurisdiction in Canada; and

   (b) the only physical presence or offices that the Filer has in any jurisdiction of Canada are the premises it shares with Canaccord Canada;

2. the prospectus requirement and underwriter registration requirement do not apply to a distribution of foreign securities to NI 35-101 Clients if that distribution:

   (a) is made by the Filer or a Dual Representative that is exempt from the dealer registration requirement and the adviser registration requirement under paragraph 1 hereof; and

   (b) is made in compliance with all applicable

      (i) U.S. federal securities laws, and

      (ii) state securities legislation in the U.S.; and

3. the Dual Exemptive Relief granted by this decision will cease to be effective in a jurisdiction on the same date that rule amendments are made effective in the jurisdiction to the equivalent exemptions that are presently provided for in NI 35-101 where such amendments materially affect the subject matter of this decision, in respect of any such trading or advising activities of the Filer or the Dual Representatives carried out after that effective date.

The decision of the principal regulator under the Local Legislation is that the Passport Exemptive Relief is granted provided that:

1. the only physical presence or offices that the Filer has in any jurisdiction of Canada are the premises it shares with Canaccord Canada;

2. the Filer and each of the Dual Representatives are in compliance with all applicable licensing and registration requirements under applicable U.S. federal securities law and state securities legislation in the U.S.;

3. the Filer and the Dual Representatives are permitted to engage in such activities with U.S. Clients under applicable U.S. federal securities law and state securities legislation in the U.S.;

4. the Filer is subject to full FINRA and SEC oversight and compliance;

5. the Filer does not act as an adviser to, or trade to, with, or on behalf of, persons who are resident of any jurisdiction of Canada, other than NI 35-101 Clients;

6. the Filer, and the Dual Representatives acting on behalf of the Filer, will not solicit clients that are resident or located in any jurisdiction of Canada other than existing NI 35-101 Clients;

7. the Filer files with the regulator all information and records about its trading and advising activities as the regulator may request from time to time; and

8. the Filer files, with the regulator in each applicable jurisdiction, the information report required by the Parallel Orders before relying on this decision, and files an updated information report, with each applicable regulator, within 10 days of a change to a previously filed information report.

"Mark Wang"
Director, Capital Markets Regulation
British Columbia Securities Commission

2.2 Orders

2.2.1 Online Direct Inc. – s. 144

Headnote

Application for partial revocation of cease trade order – variation of cease trade order to permit certain trades for the purpose of debt settlement and private placement financing – partial revocation granted subject to conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(the "Act")

AND

IN THE MATTER OF
ONLINE DIRECT INC.
(the "Applicant")

ORDER
(Section 144)

WHEREAS the Applicant is subject to a cease trade order dated October 30, 2001 made pursuant to subsection 127(8) of the *Securities Act*, R.S.O. 1990., chapter s.5, as amended, ordering that trading in securities of the Applicant cease until it is revoked by a further order of revocation (the "**Cease Trade Order**");

AND WHEREAS the Applicant has made an application to the Ontario Securities Commission (the "**Commission**") pursuant to section 144 of the Act for a partial revocation of the Cease Trade Order;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant was formed by certificate of amalgamation under the *Canada Business Corporations Act* on March 31, 1999.

2. The Applicant's registered and head office is located at 65 Queen Street West, Suite 510, Toronto, Ontario, M5H 2M5.

3. The Applicant is a reporting issuer under the securities legislation of Ontario, Alberta and British Columbia and is not a reporting issuer or equivalent under the securities legislation of any other jurisdiction in Canada.

4. The Applicant's authorized capital consists of an unlimited number of common shares ("**Common Shares**"), of which 16,990,665 Common Shares are issued and outstanding.

5. Other than as identified in paragraph 18, the Applicant does not have any securities, including debt securities, issued or outstanding other than the Common Shares.

6. No securities of the Applicant are traded in Canada or any other country on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.

7. The Cease Trade Order was issued due to the failure of the Applicant to file audited annual statements for the year ended March 31, 2001 and interim financial statements for the period ended June 30, 2001 (the "**Financial Statements**").

8. The comparative financial statements for the year ended March 31, 2001 were filed on December 28, 2012. Financial statements for the years ended March 31, 2010, March 31, 2011 and March 31, 2012 and related management's discussion and analyses were filed in December 2012 and February 2013, respectively. Interim financial statements for the three, six and nine-month periods ended June 30, September 30, and December 31, 2011 and 2012 were filed in June 2013. Financial statements for the year ended March 31, 2013 and related management's discussion and

analysis were filed in August 2013. Interim financial statements for the three, six and nine-month periods ended June 30, September 30 and December 31 2013 as well as related management's discussion and analyses for the six and nine-month periods ended September 30 and December 31 2013 were filed in November 2013 and February 2014. No other continuous disclosure documents required by applicable securities legislation have been filed by the Applicant since the Cease Trade Order was issued.

9. The Applicant is also subject to cease trade orders of the Alberta Securities Commission (the "**ASC**") dated October 30, 2001 and the British Columbia Securities Commission (the "**BCSC**") dated January 31, 2002 (such cease trade orders being together referred to as the "**Other Cease Trade Orders**").

10. Other than the Cease Trade Order and Other Cease Trade Orders, the Applicant has not previously been subject to any other cease trade order.

11. The Applicant's principal assets consist of less than $1,000.00 in cash as of the date hereof.

12. The Applicant has accumulated debt of $764,853.88 as of the date hereof, of which $720,678.88 (the "**Shareholder Loan**") is owed to Jean-Claude Bonhomme (the "**Creditor**"), a shareholder, officer, director and unsecured creditor of the Applicant. The Applicant used the majority of the advances made under the Shareholder Loan between 2001 and 2013 to meet its operational and administrative expenses.

13. The Creditor's province of residence is Ontario. He is an accredited investor, as such term is defined in subsection 73.3(1) of the Act and in section 1.1 of National Instrument 45-106 – *Prospectus Exemptions* ("**Accredited Investor**").

14. The Applicant suffered financial distress as a consequence of ceasing to carry on an active business in 2002. The Applicant periodically used some of the advances made under the Shareholder Loan to prepare, file and deliver financial statements and other continuous disclosure documents required by applicable securities legislation, as described in paragraph 8. The failure to prepare, file and deliver financial statements and other continuous disclosure documents required by applicable securities legislation for certain periods was due to insufficiency of funds.

15. The Applicant is seeking to effect a financing transaction to enable it to bring itself into compliance with its continuous disclosure obligations and to fund its business operations, one or more of which transactions, or the actions associated therewith, may constitute a contravention of the Cease Trade Order. More specifically, the Applicant proposes to complete a brokered or non-brokered private placement of its securities (the "**Private Placement**") with Accredited Investors resident in the provinces of Ontario, Alberta or British Columbia (each Accredited Investor, a "**Potential Investor**") to raise gross proceeds of up to $300,000.00. The Applicant is proposing to raise the $300,000.00 by selling Common Shares for a subscription price equal to $0.005 per Common Share.

16. None of the Potential Investors are insiders or related parties of the Applicant.

17. The proceeds from the Private Placement shall be used to prepare and file continuous disclosure documents with a view to obtaining a full revocation of the Cease Trade Order and the Other Cease Trade Orders, to pay filing fees with respect thereto to the Commission, the ASC and the BCSC, to pay outstanding fees to the Applicant's transfer agent, to fund the preparation of the application for the revocation of the Cease Trade Order and the Other Cease Trade Orders and to provide working capital.

18. The Applicant also proposes to issue Common Shares in satisfaction of the debt of the Shareholder Loan at a deemed price of $0.005 per share owed to the shareholder and director of the Applicant referred to in paragraph 12 (the "**Debt Conversion**"). The issuance of Common Shares and the forgiveness of debt are each a "related party transaction", pursuant to subsections (g) and (l) of the definition of that term in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The issuance of Common Shares is subject to the formal valuation and minority approval requirements in MI 61-101. The forgiveness of debt is not subject to the formal valuation requirement in MI 61-101, however, it is subject to the minority approval requirement of MI 61-101. Regarding the issuance of Common Shares, the Applicant will rely on the exemption from the formal valuation requirement contained in section 5.5(b) of MI 61-101, since the securities of the Applicant are not listed on any stock exchange. Regarding both the issuance of Common Shares and the forgiveness of debt, the Applicant will rely on the exemption from the minority approval requirement contained in section 5.7(a) of MI 61-101, since neither the fair market value of the securities issued, nor the fair market value of the consideration for the transactions, insofar as it involves interested parties, exceeds 25% of the Applicant's market capitalization as determined by the board of directors of the Applicant acting in good faith. The foregoing shall be disclosed in the disclosure document for the Debt Conversion, being the news release and material change report which material change report will be in compliance with section 5.2 of MI 61-101.

19. The Shareholder Loan is comprised of two types of cash advances made by the Creditor. A number of non-interest bearing advances were made between 2001 and 2011 in the aggregate amount of $443,218.00 (the "**Non-Interest Bearing Loan**"). No instruments were issued by the Applicant in connection with the Non-Interest Bearing Loan; however, such advances are reflected in the financial statements of the Applicant. In addition, the Creditor made a number of advances bearing 12.5% interest per annum evidenced by promissory notes (the "**Promissory Notes**"), as per the table below:

Date of Promissory Note Advance	Amount
May 14, 2012	$60,000.00
November 19, 2012	$50,000.00
March 22, 2013	$50,000.00
April 17, 2013	$25,000.00
September 13, 2013	$5,000.00
September 13, 2013	$10,000.00
September 13, 2013	$10,000.00
TOTAL	$210,000.00

As at December 31, 2015, the Promissory Notes had accrued $67,460.88 in interest such that the combined principal and interest owing under the Promissory Notes is now $277,460.88.

20. The Applicant is of the view that the funds advanced to the Applicant under the Shareholder Loan evidenced by the Promissory Notes may have constituted the distribution of a security by the Applicant in contravention of the Cease Trade Order and the Other Cease Trade Orders.

21. The Creditor currently owns 615,645 Common Shares (3.62%).

22. Following the Private Placement and Debt Conversion, the Creditor will own 144,751,421 Common Shares (65.46%), which is calculated based on the addition of the Common Shares that will be issued to Potential Investors as a result of the Private Placement (60,000,000 Common Shares, based on raising gross proceeds of up to $300,000.00) and Common Shares that will be issued to the Creditor in connection with the Debt Conversion (144,135,776 Common Shares, based on the value of the Shareholder Loan).

23. As the Private Placement and Debt Conversion will involve trades in securities of the Applicant (including, for greater certainty, acts in furtherance of trades in securities of the Applicant), it cannot be completed without a variation of the Cease Trade Order.

24. Prior to the date hereof, the Applicant had not remedied all of the deficiencies described in paragraph 5 as it did not have sufficient funds to do so.

25. The Private Placement and Debt Conversion trades are expected to take place in Ontario, Alberta and British Columbia.

26. The Private Placement and Debt Conversion will be completed in accordance with all applicable laws.

27. The Applicant is not in default of any requirements of the Cease Trade Order, the Other Cease Trade Orders or applicable securities legislation or the rules and regulations made pursuant thereto, subject to the contraventions outlined in paragraphs 7, 8 and 20 above.

28. Upon the issuance of this Order, the Applicant will:

    (a) issue a press release and file a material change report announcing, among other things, the Private Placement, the Debt Conversion and this Order;

    (b) market the Private Placement and provide information relating to the Applicant to the Potential Investors in accordance with the provisions of this Order and in accordance with the applicable securities legislation and the rules and regulations made pursuant thereto; and

(c) issue securities in connection with the Private Placement and Debt Conversion.

29. To bring its continuous disclosure record up to date, the Applicant intends, within a reasonable time following the completion of the Private Placement and Debt Conversion, to file the following documents on SEDAR once completed:

(a) the remaining Financial Statements;

(b) audited annual financial statements and related management's discussion and analysis for the years ended March 31, 2014 and March 31, 2015;

(c) its interim financial statements and the related management's discussion and analysis for all interim periods in the current fiscal year, following the completion of the Private Placement and Debt Conversion;

(d) all certifications by the Chief Executive Officer and the Chief Financial Officer of the Applicant with respect to the Applicant's annual and interim filings required by Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*; and

(e) all other continuous disclosure documents required by applicable securities legislation to be filed by the Applicant.

30. The purpose of the Private Placement is to enable the Applicant to raise sufficient funds to reactivate its business, to bring its continuous disclosure record up to date, to apply for a full revocation of the Cease Trade Order and the Other Cease Trade Orders and to provide working capital. The purpose of the Debt Conversion is to improve the Applicant's balance sheet to make the Applicant more financeable.

31. The Applicant reasonably anticipates that it will require approximately $124,000.00 in order to undertake the necessary steps to apply for a full revocation of the Cease Trade Order and the Other Cease Trade Orders. The balance will be used to cover legacy accounts payable and to fulfill other commitments made to the OSC in connection with the full revocation of the Cease Trade Order and the Other Cease Trade Orders.

32. The Applicant reasonably believes that it will have sufficient resources upon completion of the Private Placement and Debt Conversion to bring its continuous disclosure obligations up to date and pay all related outstanding fees.

33. The proceeds of the Private Placement are estimated to be used as follows:

	Description	**Cost**
(a)	legacy accounts payable, including accounting and legal fees, consulting fees and outstanding transfer agent fees;	$104,000.00
(b)	accounting and audit fees to prepare and file continuous disclosure documents;	$34,000.00
(c)	the services of legal counsel with regard to the Private Placement and the Debt Conversion, the preparation of the materials for the annual meeting, the application for the Order and the final full revocation order;	$45,000.00
(d)	payment of filing fees for a full revocation application to the applicable regulators, including the Commission; and	$45,000.00
(e)	working capital and general and administrative expenses.	$72,000.00
TOTAL		$300,000.00

34. The amount listed for "payment of filing fees for a full revocation application to the applicable regulators, including the Commission" is for both partial revocation and full revocation, as well as penalties, estimated to be used as follows:

Description	**Cost**
Alberta application for revocation;	$750.00
British Columbia application for revocation;	$2,500.00
Ontario application for revocation;	$4,800.00

Description	Cost
Alberta SEDAR fees;	$2,800.00
British Columbia SEDAR fees; and	$3,600.00
Ontario SEDAR fees.	$30,815.00
TOTAL	$45,265.00

35. The Applicant intends, within 60 days following the completion of the Private Placement and Debt Conversion to apply to the Commission for full revocation of the Cease Trade Order. An undertaking has been provided to the Commission to this effect.

36. The Applicant undertakes to hold its annual meeting of shareholders within three (3) months of the date that the Cease Trade Order and the Other Cease Trade Orders are revoked in full. An undertaking has been provided to the Commission to this effect.

37. The Applicant is not considering, nor is it involved in any discussion relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.

AND WHEREAS considering the application and recommendation of staff of the Commission;

AND WHEREAS the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario Cease Trade Order is partially revoked solely to permit trades and acts in furtherance of trades that are necessary for and are in connection with the Private Placement and Debt Conversion and all other acts in furtherance of the Private Placement and Debt Conversion that may be considered to fall within the definition of "trade" within the meaning of the Act, provided that:

(a) prior to completion of the Private Placement and Debt Conversion, each Potential Investor and the Creditor will:

(i) receive a copy of the Cease Trade Order and the Other Cease Trade Orders;

(ii) receive a copy of this Order; and

(iii) receive written notice from the Applicant and acknowledge to the Applicant that all of the Applicant's securities, including the securities issued in connection with the Private Placement and Debt Conversion, will remain subject to the Cease Trade Order and the Other Cease Trade Orders until such orders are revoked, and that the granting of the Order does not guarantee the issuance of a full revocation order in the future;

(b) The Applicant will provide signed and dated written acknowledgements referred to in paragraph (a)(iii) above to staff of the Commission on request; and

(c) This Order will terminate on the earlier of: (i) the completion of the Private Placement and Debt Conversion; and (ii) 120 days from the date hereof.

DATED at Toronto, Ontario on this 23rd day of February, 2016.

"Kathryn Daniels"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.2.2 Garth H. Drabinsky et al. -- ss. 127, 127.1

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
GARTH H. DRABINSKY,
MYRON I. GOTTLIEB AND
GORDON ECKSTEIN

ORDER
(Sections 127 and 127.1)

WHEREAS on February 20, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing in relation to an Amended Statement of Allegations issued by Staff of the Commission ("Staff") regarding Garth H. Drabinsky, Myron I. Gottlieb and Gordon Eckstein (collectively, the "Respondents");

AND WHEREAS the Notice of Hearing stated that an initial hearing before the Commission would be held on March 19, 2013;

AND WHEREAS on March 19, 2013, the Commission convened a hearing and ordered that the matter be adjourned to a confidential pre-hearing conference on May 23, 2013;

AND WHEREAS on May 23, 2013, a confidential pre-hearing conference was held, at which counsel for Staff and counsel for each of the Respondents attended;

AND WHEREAS counsel for Drabinsky requested that a motion be scheduled respecting certain portions of Staff's Statement of Allegations (the "Motion") and a date for the motion was scheduled for July 10, 2013;

AND WHEREAS on July 2, 2013, counsel for Drabinsky communicated to the Commission that he would no longer be proceeding with the Motion;

AND WHEREAS on July 3, 2013, the Commission ordered that the July 10, 2013 Motion date be vacated;

AND WHEREAS on September 8, 2014, a confidential pre-hearing conference was held, at which counsel for Staff and counsel for each of the Respondents attended;

AND WHEREAS on September 8, 2014, the Commission ordered that:

1. A further confidential pre-hearing conference shall take place on December 2, 2014 at 3:00 p.m., or on such other date as may be ordered by the Commission;

2. A hearing shall commence on June 22, 2015 and continue on the following dates in June 2015: 23-26, 29-30, or on such other dates as may be ordered by the Commission;

3. Parties shall disclose any expert evidence according to the following schedule:

    a. Respondents shall identify any expert witness that they intend call and the subject of their testimony by March 9, 2015;

    b. Respondents shall serve any expert report(s) on Staff by April 8, 2015;

    c. Staff shall serve any expert response report(s) on the Respondents by May 8, 2015; and

    d. Respondents shall serve any expert reply report(s) on Staff by May 25, 2015;

4. Parties shall disclose witness lists and witness summaries by May 4, 2015; and

5. Parties shall serve and file hearing briefs by June 1, 2015;

AND WHEREAS on September 9, 2014, the Commission approved the settlement agreement reached between Staff and Gottlieb;

AND WHEREAS on December 2, 2014, a confidential pre-hearing conference was held, at which counsel for Staff, counsel for Drabinsky and counsel for Eckstein attended;

AND WHEREAS all parties agreed to adjourn the matter to a further confidential pre-hearing conference to be held at a later-scheduled date;

AND WHEREAS on April 7, 2015, a confidential pre-hearing conference was commenced, at which counsel for each of Staff, Drabinsky and Eckstein attended;

AND WHEREAS the confidential pre-hearing conference was continued on April 23 and May 6, 2015, and counsel for each of Staff and Drabinsky attended;

AND WHEREAS Drabinsky requested that the hearing scheduled in this matter be adjourned;

AND WHEREAS by Order dated May 22, 2015, the Commission approved the Settlement Agreement between Staff and Eckstein dated April 20, 2015;

AND WHEREAS on May 25, 2015, the Commission ordered that:

1. The hearing dates scheduled for June 22 to June 26, 2015 and June 29 to June 30, 2015 are vacated;

2. The hearing in this matter shall commence at 10:00 a.m. on January 21, 2016 and continue on January 22, January 25 to 29, 2016 and on February 19, 2016, or at such other time or times and on such other dates as may be ordered by the Commission;

3. A further confidential pre-hearing conference shall take place at 2:00 p.m. on September 24, 2015 or at such other time and on such other date as may be ordered by the Commission;

4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:

    a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;

    b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;

    c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and

    d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;

5. Each of the parties shall disclose his or its initial witness lists and witness summaries by no later than 60 days prior to the commencement of the hearing; and

6. Each of the parties shall serve his or its hearing brief materials by no later than 20 days prior to the commencement of the hearing;

AND WHEREAS on September 24, 2015, a confidential pre-hearing conference was held, at which counsel for Staff and counsel for Drabinsky attended;

AND WHEREAS at such confidential pre-hearing conference, Drabinsky requested that the hearing scheduled in this matter be adjourned to a later date;

AND WHEREAS on September 29, 2015, the Commission ordered that

1. The hearing dates scheduled for January 21 to January 22, January 25 to 29, and February 19, 2016 are vacated;

2. The hearing in this matter shall commence at 10:00 a.m. on June 20, 2016 and continue on June 21, June 24 to June 28, 2016 and July 19, 2016 or at such other time or times and on such other dates as may be ordered by the Commission;

3. A further confidential pre-hearing conference shall take place at 10:00 a.m. on February 22, 2016 or at such other time and on such other date as may be ordered by the Commission;

4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:

   a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;

   b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;

   c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and

   d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;

5. Each of the parties shall disclose his or its initial witness lists and witness summaries by no later than 60 days prior to the commencement of the hearing; and

6. Each of the parties shall serve his or its hearing brief materials by no later than 20 days prior to the commencement of the hearing.

AND WHEREAS on February 22, 2016, a confidential pre-hearing conference was held, at which counsel for Staff and counsel for Drabinsky attended;

AND WHEREAS at such confidential pre-hearing conference, Drabinsky requested that the hearing scheduled in this matter be adjourned to a later date;

AND WHEREAS Drabinsky continues to be subject to an interim undertaking made to the Director of Enforcement of the Commission (the "Director") providing that, pending the conclusion of the Commission proceeding, he will not apply to become a registrant or an employee of a registrant or an officer or director of a reporting issuer without the express written consent of the Director or an order of the Commission releasing him from the undertaking;

AND WHEREAS Drabinsky continues to be subject to parole terms that are in effect until September 2016 which prohibit him from owning or operating a business or being in a position of responsibility for the management of finances or investments of any other individual, charity, business or institution, among other things;

AND WHEREAS Staff do not oppose Drabinsky's request;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that:

1. The hearing dates scheduled for June 20, June 21, June 24 to June 28 and July 19, 2016 are vacated;

2. The hearing in this matter shall commence at 10:00 a.m. on September 19, 2016 and continue on September 21 and 22, September 26 and September 29 and October 19, 2016 or at such other time or times and on such other dates as may be ordered by the Commission;

3. A further confidential pre-hearing conference shall take place at 10:00 a.m. on June 20, 2016 or at such other time and on such other date as may be ordered by the Commission;

4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:

   a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;

b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;

c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and

d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;

5. Each of the parties shall disclose his or its initial witness lists and witness summaries by no later than 60 days prior to the commencement of the hearing; and

6. Each of the parties shall serve his or its hearing brief materials by no later than 20 days prior to the commencement of the hearing.

DATED at Toronto this 24th day of February, 2016.

"Christopher Portner"

2.2.3 Hong Liang Zhong

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
HONG LIANG ZHONG

ORDER

WHEREAS:

1. On January 25, 2016, Staff ("Staff") of the Ontario Securities Commission (the "Commission") filed a Statement of Allegations, in which Staff seeks an order against Hong Liang Zhong ("Zhong"), pursuant to subsections 127(1) and 127(10) of the *Securities Act*;

2. On January 25, 2016, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting February 25, 2016 as the date of the hearing;

3. On February 23, 2016, Staff filed an affidavit of service sworn by Lee Crann on February 23, 2016, describing steps taken by Staff to serve Zhong with the Notice of Hearing, Statement of Allegations and Staff's disclosure materials;

4. At the hearing on February 25, 2016:

   a. Staff appeared before the Commission and made submissions;

   b. Zhong did not appear or make submissions, although properly served; and

   c. Staff applied to continue this proceeding by way of a written hearing, in accordance with Rule 11.5 of the Commission's *Rules of Procedure* (2014), 37 OSCB 4168, and subsection 5.1(1) of the *Statutory Powers Procedure Act*, RSO 1990, c S.22; and

5. The Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED THAT:

1. Staff's application to continue this proceeding by way of a written hearing is granted;

2. Staff's materials shall be served and filed no later than March 7, 2016;

3. Zhong's responding materials, if any, shall be served and filed no later than April 4, 2016; and

4. Staff's reply materials, if applicable, shall be served and filed no later than April 18, 2016.

DATED at Toronto this 25th day of February, 2016.

"Timothy Moseley"

2.2.4 Gildan Activewear Inc. – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 1,600,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholders did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from each selling shareholder that between the date of the order and the date on which the proposed purchase is completed, neither selling shareholder has purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its, or the other selling shareholder's, holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
GILDAN ACTIVEWEAR INC.

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of Gildan Activewear Inc. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the "**Act**") exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the "**Issuer Bid Requirements**") in connection with the proposed purchases by the Issuer of up to 1,600,000 common shares of the Issuer (collectively, the "**Subject Shares**") in one or more tranches from The Toronto-Dominion Bank (the "**Selling Shareholder**");

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 10, 12, 23 and 24 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The head office and registered office of the Issuer is located at 600 de Maisonneuve Boulevard West, 33rd Floor, Montreal, Quebec, Canada H3A 3J2.

3. The Issuer is a reporting issuer in each of the provinces of Canada and its common shares (the "**Common Shares**") are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**") under the symbol "GIL". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized share capital of the Issuer consists of (a) an unlimited number of Common Shares, (b) an unlimited number of First Preferred Shares, and (c) an unlimited number of Second Preferred Shares. As at February 19, 2016, 243,856,289 Common Shares were issued and outstanding and no First Preferred Shares or Second Preferred Shares were issued and outstanding.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario and the Subject Shares are held by the Selling Shareholder in the Province of Ontario.

6. The Selling Shareholder does not own, directly or indirectly, more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder is the beneficial owner of at least 1,600,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

8. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after January 12, 2016, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares to the Issuer.

9. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder will not purchase, have purchased on its behalf, or otherwise accumulate, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

10. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer or an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

11. Pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" (the "**Notice**") that was submitted to, and accepted by, the TSX effective February 24, 2016, the Issuer was permitted to make a normal course issuer bid (the "**Normal Course Issuer Bid**") to purchase up to 12,192,814 Common Shares, representing approximately 5% of the issued and outstanding Common Shares as of the date specified in the Notice, during the 12-month period beginning on February 26, 2016 and ending on February 25, 2017. The Notice specifies that purchases under the Normal Course Issuer Bid will be conducted through the facilities of the TSX and purchases may also be made on the NYSE, through alternative trading systems, if eligible, or by such other means as may be permitted by the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"), including by private agreements pursuant to issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**").

12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**"), pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder in one or more tranches, such tranches to occur not more than once per calendar week and, in each case, prior to February 25, 2017 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase.

13. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act, to which the applicable Issuer Bid Requirements would apply.

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, the Issuer could otherwise acquire the Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in clause 629(1)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

19. Management of the Issuer is of the view that: (a) the Issuer will be able to purchase the Subject Shares at a lower price than the price at which it would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

20. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of January 31, 2016, the "public float" for the Issuer's Common Shares represented approximately 79% of all of the issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

22. The Common Shares are "highly-liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.

23. Other than the Purchase Price, no fee or other consideration will be paid by the Issuer in connection with the Proposed Purchases.

24. At the time that each Agreement is negotiated or entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Derivatives Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not make any Proposed Purchase until it has first obtained confirmation in writing from the Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

26. The Issuer has made two other applications to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 1,975,000 Common Shares from two affiliated holders of Common Shares and up to 450,000 Common Shares from another holder of Common Shares, each pursuant to one or more private agreements (the "**Concurrent Applications**").

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 4,064,271 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Applications.

28. Assuming completion of the purchase of the maximum number of Subject Shares, being 1,600,000 Common Shares, and the maximum number of Common Shares that are the subject of the Concurrent Applications, being 2,425,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 4,025,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 33% of the maximum of 12,192,814 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

AND UPON the Commission being satisfied to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules or another Off-Exchange Block Purchase during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under its Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;

(c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in paragraph 629(1)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to its Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by such other means as may be permitted by the TSX, and, subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of Subject Shares to the TSX;

(f) at the time that each Agreement is negotiated or entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Derivatives Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

(g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") following the completion of each Proposed Purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate more than one-third of the maximum number of Common Shares the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 4,064,271 Common Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

DATED at Toronto this 26th day of February, 2016.

"Ann Marie Ryan"
Commissioner
Ontario Securities Commission

"Sarah B. Kavanagh"
Commissioner
Ontario Securities Commission

2.2.5 Gildan Activewear Inc. – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 450,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholders did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from each selling shareholder that between the date of the order and the date on which the proposed purchase is completed, neither selling shareholder has purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its, or the other selling shareholder's, holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
GILDAN ACTIVEWEAR INC.

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of Gildan Activewear Inc. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the "**Act**") exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the "**Issuer Bid Requirements**") in connection with the proposed purchases by the Issuer of up to 450,000 common shares of the Issuer (collectively, the "**Subject Shares**") in one or more tranches from The Bank of Nova Scotia (the "**Selling Shareholder**");

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 10, 12, 23 and 24 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The head office and registered office of the Issuer is located at 600 de Maisonneuve Boulevard West, 33rd Floor, Montreal, Quebec, Canada H3A 3J2.

3. The Issuer is a reporting issuer in each of the provinces of Canada and its common shares (the "**Common Shares**") are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**") under the symbol "GIL". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized share capital of the Issuer consists of (a) an unlimited number of Common Shares, (b) an unlimited number of First Preferred Shares, and (c) an unlimited number of Second Preferred Shares. As at February 19, 2016, 243,856,289 Common Shares were issued and outstanding and no First Preferred Shares or Second Preferred Shares were issued and outstanding.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario and the Subject Shares are held by the Selling Shareholder in the Province of Ontario.

6. The Selling Shareholder does not own, directly or indirectly, more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder is the beneficial owner of at least 450,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

8. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after January 12, 2016, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares to the Issuer.

9. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder will not purchase, have purchased on its behalf, or otherwise accumulate, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

10. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer or an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

11. Pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" (the "**Notice**") that was submitted to, and accepted by, the TSX effective February 24, 2016, the Issuer was permitted to make a normal course issuer bid (the "**Normal Course Issuer Bid**") to purchase up to 12,192,814 Common Shares, representing approximately 5% of the issued and outstanding Common Shares as of the date specified in the Notice, during the 12-month period beginning on February 26, 2016 and ending on February 25, 2017. The Notice specifies that purchases under the Normal Course Issuer Bid will be conducted through the facilities of the TSX and purchases may also be made on the NYSE, through alternative trading systems, if eligible, or by such other means as may be permitted by the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"), including by private agreements pursuant to issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**").

12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**"), pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder in one or more tranches, such tranches to occur not more than once per calendar week and, in each case, prior to February 25, 2017 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase.

13. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act, to which the applicable Issuer Bid Requirements would apply.

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, the Issuer could otherwise acquire the Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in clause 629(1)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

19. Management of the Issuer is of the view that: (a) the Issuer will be able to purchase the Subject Shares at a lower price than the price at which it would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

20. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of January 31, 2016, the "public float" for the Issuer's Common Shares represented approximately 79% of all of the issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

22. The Common Shares are "highly-liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.

23. Other than the Purchase Price, no fee or other consideration will be paid by the Issuer in connection with the Proposed Purchases.

24. At the time that each Agreement is negotiated or entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Global Equity Derivatives and Investor Solutions group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not make any Proposed Purchase until it has first obtained confirmation in writing from the Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

26. The Issuer has made two other applications to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 1,975,000 Common Shares from two affiliated holders of Common Shares and up to 1,600,000 Common Shares from another holder of Common Shares, each pursuant to one or more private agreements (the "**Concurrent Applications**").

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 4,064,271 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Applications.

28. Assuming completion of the purchase of the maximum number of Subject Shares, being 450,000 Common Shares, and the maximum number of Common Shares that are the subject of the Concurrent Applications, being 3,575,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 4,025,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 33% of the maximum of 12,192,814 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

AND UPON the Commission being satisfied to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules or another Off-Exchange Block Purchase during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under its Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;

(c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in paragraph 629(1)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to its Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by such other means as may be permitted by the TSX, and, subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of Subject Shares to the TSX;

(f) at the time that each Agreement is negotiated or entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Global Equity Derivatives and Investor Solutions group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

(g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") following the completion of each Proposed Purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate more than one-third of the maximum number of Common Shares the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 4,064,271 Common Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

DATED at Toronto this 26th day of February, 2016.

"Ann Marie Ryan"
Commissioner
Ontario Securities Commission

"Sarah B. Kavanagh"
Commissioner
Ontario Securities Commission

2.2.6 Gildan Activewear Inc. – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, an aggregate of up to 1,975,000 of its common shares from two of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholders did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from each selling shareholder that between the date of the order and the date on which the proposed purchase is completed, neither selling shareholder has purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its, or the other selling shareholder's, holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
GILDAN ACTIVEWEAR INC.

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of Gildan Activewear Inc. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the "**Act**") exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the "**Issuer Bid Requirements**") in connection with the proposed purchases by the Issuer of up to 1,975,000 common shares of the Issuer (collectively, the "**Subject Shares**") in one or more tranches from the Bank of Montreal and/or BMO Nesbitt Burns Inc. (each, a "**Selling Shareholder**" and together, the "**Selling Shareholders**");

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Issuer (and each Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 10, 12, 23 and 24 as they relate to such Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The head office and registered office of the Issuer is located at 600 de Maisonneuve Boulevard West, 33rd Floor, Montreal, Quebec, Canada H3A 3J2.

3. The Issuer is a reporting issuer in each of the provinces of Canada and its common shares (the "**Common Shares**") are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**") under the symbol "GIL". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized share capital of the Issuer consists of (a) an unlimited number of Common Shares, (b) an unlimited number of First Preferred Shares, and (c) an unlimited number of Second Preferred Shares. As at February 19, 2016, 243,856,289 Common Shares were issued and outstanding and no First Preferred Shares or Second Preferred Shares were issued and outstanding.

5. The corporate headquarters of each of the Selling Shareholders are located in the Province of Ontario and the Subject Shares are held by the Selling Shareholders in the Province of Ontario.

6. Neither Selling Shareholder owns, directly or indirectly, more than 5% of the issued and outstanding Common Shares.

7. Bank of Montreal is the beneficial owner of at least 245,000 Common Shares and BMO Nesbitt Burns Inc. is the beneficial owner of at least 1,730,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, either of the Selling Shareholders in anticipation or contemplation of resale by either of the Selling Shareholders to the Issuer.

8. No Common Shares were purchased by, or on behalf of, either Selling Shareholder on or after January 12, 2016, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares by either of the Selling Shareholders to the Issuer.

9. The Subject Shares are held by the Selling Shareholders in connection with arrangements to hedge client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase is to be completed, neither Selling Shareholder will purchase, have purchased on its behalf, or otherwise accumulate, any Common Shares to re-establish its, or the other Selling Shareholder's, holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

10. Each Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer or an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. Each Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

11. Pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" (the "**Notice**") that was submitted to, and accepted by, the TSX effective February 24, 2016, the Issuer was permitted to make a normal course issuer bid (the "**Normal Course Issuer Bid**") to purchase up to 12,192,814 Common Shares, representing approximately 5% of the issued and outstanding Common Shares as of the date specified in the Notice, during the 12-month period beginning on February 26, 2016 and ending on February 25, 2017. The Notice specifies that purchases under the Normal Course Issuer Bid will be conducted through the facilities of the TSX and purchases may also be made on the NYSE, through alternative trading systems, if eligible, or by such other means as may be permitted by the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"), including by private agreements pursuant to issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**").

12. The Issuer and each Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**"), pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the applicable Selling Shareholder in one or more tranches, such tranches to occur not more than once per calendar week and, in each case, prior to February 25, 2017 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the applicable Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase.

13. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act, to which the applicable Issuer Bid Requirements would apply.

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholders in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase, the Issuer could otherwise acquire the Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in clause 629(1)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholders without the Issuer being subject to the dealer registration requirements of the Act.

19. Management of the Issuer is of the view that: (a) the Issuer will be able to purchase the Subject Shares at a lower price than the price at which it would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

20. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of January 31, 2016, the "public float" for the Issuer's Common Shares represented approximately 79% of all of the issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

22. The Common Shares are "highly-liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.

23. Other than the Purchase Price, no fee or other consideration will be paid by the Issuer in connection with the Proposed Purchases.

24. At the time that each Agreement is negotiated or entered into by the Issuer and the applicable Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Trading Products Group of either Selling Shareholder, nor any personnel of the Selling Shareholders that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not make any Proposed Purchase until it has first obtained confirmation in writing from each Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, neither Selling Shareholder has purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its, or the other Selling Shareholder's, holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

26. The Issuer has made two other applications to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 1,600,000 Common Shares from one holder of Common Shares and up to 450,000 Common Shares from another holder of Common Shares, each pursuant to one or more private agreements (the "**Concurrent Applications**").

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 4,064,271 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Applications.

28. Assuming completion of the purchase of the maximum number of Subject Shares, being 1,975,000 Common Shares, and the maximum number of Common Shares that are the subject of the Concurrent Applications, being 2,050,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 4,025,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 33% of the maximum of 12,192,814 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

AND UPON the Commission being satisfied to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules or another Off-Exchange Block Purchase during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under its Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;

(c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in paragraph 629(1)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to its Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by such other means as may be permitted by the TSX, and, subject to condition (i) below, by Off-Exchange Block Purchases;

(e) immediately following each Proposed Purchase of Subject Shares from a Selling Shareholder, the Issuer will report the purchase of Subject Shares to the TSX;

(f) at the time that each Agreement is negotiated or entered into by the Issuer and the applicable Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Trading Products Group of either Selling Shareholder, nor any personnel of the Selling Shareholders that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

(g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") following the completion of each Proposed Purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate more than one-third of the maximum number of Common Shares the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 4,064,271 Common Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from each Selling Shareholder that between the date of this Order and the date on which a Proposed Purchase is to be completed, neither Selling Shareholder has purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its, or the other Selling Shareholder's, holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

DATED at Toronto this 26th day of February, 2016.

"Ann Marie Ryan"
Commissioner
Ontario Securities Commission

"Sarah B. Kavanagh"
Commissioner
Ontario Securities Commission

2.2.7 Manulife Asset Management Limited and Manulife Asset Management (Europe) Limited – s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirement of subsection 22(1)(b) of the CFA granted to a sub-adviser headquartered in a foreign jurisdiction in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions – Relief mirrors exemption available in section 8.26.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations made under the Securities Act (Ontario).

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 1(1), 22(1)(b), 80.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(3).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.26.1.
Ontario Securities Commission Rule 35-502 Non-Resident Advisers, s. 7.11.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
MANULIFE ASSET MANAGEMENT LIMITED

AND

MANULIFE ASSET MANAGEMENT (EUROPE) LIMITED

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of Manulife Asset Management (Europe) Limited (the **Sub-Adviser**) and Manulife Asset Management Limited (the **Principal Adviser**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 80 of the CFA, that the Sub-Adviser (and individuals engaging in, or holding themselves out as engaging in, the business of advising others when acting on behalf of the Sub-Adviser in respect of the Sub-Advisory Services (as defined below) (the **Representatives**)) be exempt, for a specified period of time, from the adviser registration requirement in paragraph 22(1)(b) of the CFA when acting as a sub-adviser to the Principal Adviser for the benefit of the Clients (as defined below) regarding commodity futures contracts and commodity futures options traded on commodity futures exchanges (collectively, the **Contracts**) and cleared through clearing corporations;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Sub-Adviser and the Principal Adviser having represented to the Commission that:

1. The Principal Adviser is a corporation amalgamated under the laws of Canada with its head office located in Toronto, Ontario. The Principal Adviser is registered under the *Securities Act* (Ontario) (the **OSA**) and the securities legislation of Quebec and Newfoundland and Labrador as an investment fund manager, and under the OSA and the securities legislation of all other provinces and territories of Canada as an adviser in the category of portfolio manager. The Principal Adviser is also registered under the CFA as an adviser in the category of commodity trading manager and under the derivatives legislation of Quebec as a derivatives portfolio manager.

2. The Sub-Adviser is a corporation incorporated under the laws of England and Wales with its head office located in London, England.

3. The Sub-Adviser and the Principal Adviser are affiliates, and are indirect subsidiaries of Manulife Financial Corporation.

4. The Sub-Adviser is authorized with the United Kingdom Financial Conduct Authority as a financial services firm authorized to advise on investments including commodity futures, commodity options and options on commodity futures.

5. The Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodities futures or other applicable legislation of the United Kingdom that permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Ontario. As such, it is authorized and permitted to carry on the Sub-Advisory Services (as defined below).

6. The Sub-Adviser engages in the business of an adviser in respect of Contracts in the United Kingdom.

7. The Sub-Adviser is not registered in any capacity under the securities legislation of Ontario or any other jurisdiction in Canada or under the CFA.

8. The Principal Adviser and the Sub-Adviser are not in default of securities legislation, commodity futures legislation or derivatives legislation in any jurisdiction of Canada.

9. The Principal Adviser provides investment advice and/or discretionary portfolio management services in Ontario to (i) investment funds, the securities of which are qualified by prospectus for distribution to the public in Ontario and the other provinces and territories of Canada (the **Investment Funds**); (ii) pooled funds, the securities of which are sold on a private placement basis in Ontario and certain other provinces and territories of Canada pursuant to prospectus exemptions contained in National Instrument 45-106 *Prospectus Exemptions* (the **Pooled Funds**); (iii) clients who have entered into investment management agreements with the Principal Adviser to establish managed accounts (the **Managed Account Clients**); and (iv) other Investment Funds, Pooled Funds and Managed Account Clients that may be established or retained in the future and in respect of which the Principal Adviser engages the Sub-Adviser to provide portfolio advisory services (the **Future Clients**) (each of the Investment Funds, Pooled Funds, Managed Account Clients and Future Clients being referred to individually as a **Client** and collectively as the **Clients**).

10. The Clients may, as part of their investment program, invest in Contracts. The Principal Adviser acts, or will act, as a commodity trading manager in respect of such Clients.

11. In connection with the Principal Adviser acting as an adviser to Clients in respect of the purchase or sale of Contracts, the Principal Adviser, pursuant to a written agreement made between the Principal Adviser and the Sub-Adviser, will retain the Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of Contracts in which the Sub-Adviser has experience and expertise by exercising discretionary authority on behalf of the Principal Adviser, in respect of all or a portion of the assets of the investment portfolio of the respective Client, including discretionary authority to buy or sell Contracts for the Client (the Sub-Advisory Services), provided that:

    (a) in each case, the Contracts must be cleared through an "acceptable clearing corporation" (as defined in National Instrument 81-102 *Investment Funds*, or any successor thereto (**NI 81-102**)) or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A of NI 81-102, or any successor thereto; and

    (b) such investments are consistent with the investment objectives and strategies of the applicable Client.

12. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as partner or an officer of a registered adviser and is acting on behalf of a registered adviser.

13. By providing the Sub-Advisory Services, the Sub-Adviser will be engaging in, or holding himself, herself, or itself out as engaging in, the business of advising others in respect of Contracts and, in the absence of being granted the requested relief, would be required to register as an adviser under the CFA.

14. There is presently no rule or regulation under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA that is similar to the exemption from the adviser registration requirement in subsection 25(3) of the OSA which is provided under section 8.26.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**).

15. The relationship among the Principal Adviser, the Sub-Adviser and any Client will be consistent with the requirements of section 8.26.1 of NI 31-103.

16. The Sub-Adviser will only provide the Sub-Advisory Services as long as the Principal Adviser is, and remains, registered under the CFA as an adviser in the category of commodity trading manager.

17. As would be required under section 8.26.1 of NI 31-103:

(a) the obligations and duties of the Sub-Adviser will be set out in a written agreement with the Principal Adviser; and

(b) the Principal Adviser will enter into a written contract with each Client, agreeing to be responsible for any loss that arises out of the failure of the Sub-Adviser:

(i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and each Client; or

(ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (i), the **Assumed Obligations**).

18. The written agreement between the Principal Adviser and the Sub-Adviser will set out the obligations and duties of each party in connection with the Sub-Advisory Services and permit the Principal Adviser to exercise the degree of supervision and control it is required to exercise over the Sub-Adviser in respect of the Sub-Advisory Services.

19. The Principal Adviser will deliver to the Clients all required reports and statements under applicable securities, commodity futures and derivatives legislation.

20. The prospectus or other offering document, if any (the **Offering Document**) for each Client that is an Investment Fund or a Pooled Fund and for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will include the following disclosure (the **Required Disclosure**):

(a) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and

(b) a statement that there may be difficulty in enforcing any legal rights against the Sub-Adviser (or any of its Representatives) because the Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.

21. Prior to purchasing any securities of one or more of the Clients that are Investment Funds or Pooled Funds directly from the Principal Adviser, all investors in these Clients who are Ontario residents will receive, or have received, the Required Disclosure in writing (which may be in the form of an Offering Document).

22. Each Client that is a Managed Account Client for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to the purchasing of any Contracts for such Client.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested;

IT IS ORDERED, pursuant to section 80 of the CFA, that the Sub-Adviser and its Representatives are exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA when acting as sub-adviser to the Principal Adviser in respect of the Sub-Advisory Services, provided that at the relevant time that such activities are engaged in:

(a) the Principal Adviser is registered under the CFA as an adviser in the category of commodity trading manager;

(b) the Sub-Adviser's head office or principal place of business is in a foreign jurisdiction;

(c) the Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodities futures or other applicable legislation of the foreign jurisdiction in which its head office or principal place of business is located, that permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Ontario;

(d) the Sub-Adviser engages in the business of an adviser in respect of Contracts in the foreign jurisdiction in which its head office or principal place of business is located;

(e) the obligations and duties of the Sub-Adviser are set out in a written agreement with the Principal Adviser;

(f) the Principal Adviser has entered into a written agreement with the Clients, agreeing to be responsible for any loss that arises out of any failure of the Sub-Adviser to meet the Assumed Obligations;

(g) the Offering Document for each Client that is an Investment Fund or a Pooled Fund and for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will include the Required Disclosure;

(h) prior to purchasing any securities of one or more of the Clients that are Investment Funds or Pooled Funds directly from the Principal Adviser, all investors in these Clients who are Ontario residents will receive, or have received, the Required Disclosure in writing; and

(i) each Client that is a Managed Account Client for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to the purchasing of any Contracts for such Client;

IT IS FURTHER ORDERED that this Order will terminate on the earliest of:

(a) such transition period as provided by operation of law after the effective date of the repeal of the CFA;

(b) six months, or such other transition period as provided by operation of law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of the Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of the Sub-Advisory Services; and

(c) five years after the date of this Order.

DATED at Toronto, Ontario, this 26th day of February, 2016.

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

"Sarah Kavanagh"
Commissioner
Ontario Securities Commission

Chapter 3

Reasons: Decisions, Orders and Rulings

3.2 Director's Decisions

3.2.1 Greg Thompson

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
THE REGISTRATION OF GREG THOMPSON

1. Greg Thompson ("**Thompson**") has been registered under the *Securities Act* (Ontario) (the "**Act**") as an exempt market dealing representative with Becksley Capital Inc. ("**Becksley**") since February 7, 2010.

2. Pursuant to terms and conditions on its registration, Becksley performed a retrospective review of a random sample of trades made by the firm during the period November 1, 2011 to July 31, 2014 to assess whether an exemption to the prospectus requirement applied to the trade, and whether the trade was suitable for the client. A report of this review (the "**Report**") was provided to staff of the Ontario Securities Commission ("**Staff**").

3. The Report, and subsequent related information provided to Staff by Becksley, included two trades made by Thompson to a particular client (the "**Client**") that were concerning to Staff, as there was reason to believe that one of the trades may not have qualified for an exemption to the prospectus requirement, and that both trades may not have been suitable for the Client.

4. Staff conducted a review of the circumstances surrounding the trades to the Client.

5. On October 21, 2015, Thompson attended a voluntary interview with Staff during which he was provided an opportunity to respond to Staff's concerns regarding the trades to the Client.

6. On the basis of the Report, Staff's review of the circumstances surrounding the trades to the Client, and statements made by Thompson at his interview, Staff recommended to the Director that the terms and conditions found in Schedule "A" be imposed on his registration (the "**Terms and Conditions**") pursuant to section 28 of the Act.

7. The basis for Staff's recommendation that the Terms and Conditions be imposed on Thompson's registration was set out in a letter addressed to Thompson dated December 18, 2015, which alleged the following facts:

   (a) On November 17, 2011, Thompson obtained from the Client a subscription for $200,000 in bonds of Jaymor Capital Ltd. ("**Jaymor**") (the "**First Investment**").

   (b) Jaymor was a high risk investment.

   (c) According to her know-your-client ("**KYC**") form completed on November 17, 2011, the Client was 93 years old at the time of the First Investment, her income was between $50,00 and $99,000, her net financial assets and net worth were $400,000, her investment knowledge was good (although during Thompson's interview he had very little knowledge of the Client's investment experience), and her risk tolerance was medium (however at Thompson's interview he could not provide a reasonable explanation as to how he assessed that the Client had a medium risk tolerance).

   (d) The First Investment, which was made pursuant to the "$150,000 minimum amount" exemption to the prospectus requirement, accounted for 50% of the Client's net worth.

   (e) On January 20, 2012, Thompson obtained a second subscription from the Client for Jaymor bonds, this time in the amount of $50,000 (the "**Second Investment**").

(f) It did not appear as though any prospectus exemption was available for the Second Investment.

(g) As a result of the Second Investment, 62.5% of the Client's net worth was invested in a single high-risk investment, and she had no ability to access those funds for at least three years (the remaining time to maturity for the bonds).

(h) The First Investment and Second Investment were both unsuitable investments for the Client in light of her KYC information, the features of the investment as identified in its offering memorandum, and her highly concentrated position in the offering. Pursuant to the internal trade review process undertaken by Becksley, the firm's new chief compliance officer concluded that these were in fact unsuitable investments for the Client.

(i) In processing the trades to the Client, Thompson appears to have been inappropriately influenced by the Client's son and the son's own interests.

(j) Thompson appears to have complied with an internal request from a Becksley employee to prepare a written explanation for the trades to the Client which was self-serving on the part of Thompson and inaccurately reflected his dealings with the Client and her son.

8. Staff's letter of December 18, 2015 informed Thompson of his right to request an opportunity to be heard (an "**OTBH**") before the Director made a decision with respect to Staff's recommendation that the Terms and Conditions be imposed on Thompson's registration, pursuant to section 31 of the Act.

9. Thompson did not request an OTBH, and instead both Thompson and Becksley consented to the imposition of the Terms and Conditions on January 13 and January 15, 2016, respectively.

10. The Terms and Conditions were imposed on Thompson's registration effective January 15, 2016, pursuant to section 28 of the Act.

January 19, 2016

Schedule A

Terms and Conditions for Registration of
Greg Kevin Thompson

The registration of Greg Kevin Thompson (the "**Registrant**") under the *Securities Act* (Ontario) (the "**Act**") is subject to the following terms and conditions, which were imposed by the Director pursuant to section 28 of the Act.

Further Education

1. The Registrant must successfully retake the Canadian Securities Course Exam or successfully take the Exempt Market Products Exam within six months of the date of these terms and conditions, and must provide proof of completion to the Ontario Securities Commission (the "OSC"), Attention: Deputy Director, Registrant Conduct Team, Compliance and Registrant Regulation Branch.

No Trading and No New Accounts

2. Until such time as term and condition 1 above is satisfied, the Registrant shall not:

   (a) Trade in securities;

   (b) Open any new client accounts; or

   (c) Accept any assets from any new clients.

Strict Supervision

3. The registration of the Registrant shall be subject to terms and conditions 3(a) and 3(b) for a period of no less than one year, effective as of the date that term and condition 1 above is satisfied:

   (a) The registration of the Registrant shall be subject to strict supervision; and

   (b) The Registrant's sponsoring firm must submit written monthly supervision reports (in the form specified in Appendix "A") to the OSC, Attention: Deputy Director, Registrant Conduct Team, Compliance and Registrant Regulation Branch. These reports must be submitted within 15 calendar days after the end of each month.

These terms and condition of registration constitute Ontario securities law, and a failure by the Registrant to comply with these terms and conditions may result in further regulatory action against him, including a suspension of his registration.

Appendix "A"

Strict Supervision Report

I hereby certify that supervision has been conducted for the month ending _____, 201_ of the trading activities of Greg Kevin Thompson (the "**Registrant**") by the undersigned. I further certify the following:

1. All orders, both buy and sell, and sales contracts have been reviewed by a supervising officer Becksley Capital Inc. prior to the trade occurring.

2. All client accounts have been reviewed for leveraging, suitability of investments, overconcentration of investments, and any amendments to know your client information.

3. A review of trading activity on a daily basis has been conducted of the dealing representative's client accounts.

4. No transactions have been made in any client account until the full and correct documentation is in place.

5. The Registrant has not been granted any power of attorney over any client accounts.

6. All payments for the purchase of the investments were made payable to the issuer.

7. No client complaints have been received during the preceding month. If there have been complaints, an outline of the nature of the complaint and follow-up action initiated by the company is attached.[1]

8. There has been no handling of clients' funds or securities or issuance of cheques to clients without management approval.

9. Any transfer of funds or securities between clients' accounts has been authorized in writing and reviewed by the supervising officer.

10. Spot audits relative to the Registrant's client accounts have been conducted during the preceding month to ensure compliance with these procedures and no violations of these procedures were discovered.

_____
Date

_____
Signature of Supervising Officer

_____
Name of Supervising Officer

[1] In the event of client complaints or violations of securities legislation and/or the dealer's internal policies and procedures, the Ontario Securities Commission must be notified immediately.

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke

THERE IS NOTHING TO REPORT THIS WEEK.

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
ZipLocal Inc.	3 February 2016	26 February 2016

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order

THERE IS NOTHING TO REPORT THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Boomerang Oil, Inc.	29 January 2016	10 February 2016	10 February 2016		
Cerro Grande Mining Corporation	4 February 2016	17 February 2016	17 February 2016		
Enerdynamic Hybrid Technologies Corp.	4 November 2015	16 November 2015	16 November 2015		
Enerdynamic Hybrid Technologies Corp.	22 October 2015	4 November 2015	4 November 2015		
Enerdynamic Hybrid Technologies Corp.	15 October 2015	28 October 2015	28 October 2015		
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016		
Tango Mining Limited	7 January 2016	20 January 2016	20 January 2016		

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Chapter 5

Rules and Policies

5.1.1 CSA Notice of Publication of MI 11-102 Passport System and MI 11-203 Failure-to-File Cease Trade Orders in Multiple Jurisdictions

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Notice of Publication

Multilateral Instrument 11-102 *Passport System*
Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*

March 3, 2016

Introduction

The Canadian Securities Administrators (the CSA or we), except for the Ontario Securities Commission (the OSC), are implementing amendments to Multilateral Instrument 11-102 *Passport System* (MI 11-102 or the passport rule) and changes to Companion Policy 11-102CP *Passport System* (CP 11-102).

The CSA, except for the OSC and the Alberta Securities Commission (the ASC), are also implementing Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* (MI 11-103).

All members of the CSA are implementing the following policies:

- National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206);
- National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (NP 11-207);
- National Policy 12-202 *Revocation of Certain Cease Trade Orders* (NP 12-202) (replacing current National Policy 12-202 *Revocation of a Compliance-Related Cease Trade Order,* which will be withdrawn on June 23, 2016); and
- National Policy 12-203 *Management Cease Trade Orders* (NP 12-203) (replacing current National Policy 12-203 *Cease Trade Orders for Continuous Disclosure Defaults,* which will be withdrawn on June 23, 2016).

The amendments to MI 11-102, the changes to CP 11-102, MI 11-103 and the four National Policies are collectively referred to as the 2016 Materials.

Provided all necessary ministerial approvals are obtained, the 2016 Materials will come into force on **June 23, 2016**.

The text of the 2016 Materials is published with this notice and is also available, as applicable, on the websites of CSA jurisdictions, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
http://nssc.novascotia.ca
www.fcnb.ca
www.osc.gov.on.ca
www.fcaa.gov.sk.ca
www.msc.gov.mb.ca

Substance and Purpose

The purpose of the 2016 Materials is to:

- *Expand the passport rule to cover applications to cease to be a reporting issuer.* Currently, these applications are filed with and reviewed by each provincial or territorial securities regulator (where the issuer is a reporting issuer) under the coordinated review procedure provided in National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*. By bringing the process surrounding these applications into passport, an issuer will generally be able to deal only with its principal regulator to obtain an order to cease to be a reporting issuer in all jurisdictions of Canada where it has this status. ***The new provisions are set out in Part 4C of MI 11-102***.

- *Automatically prohibit or restrict trading in or purchasing of securities in multiple jurisdictions upon the issuance of certain cease trade orders for continuous disclosure defaults.* When a reporting issuer is in default of certain types of continuous disclosure requirements under securities legislation (specified default), regulators may issue a cease trade order (failure-to-file cease trade order). Currently, there is no formal coordinated process across the jurisdictions of Canada for when other regulators will reciprocate the order first issued against the securities of the defaulting reporting issuer. Under MI 11-103, if a regulator issues a failure-to-file cease trade order against the securities of a reporting issuer, trading in or purchasing of those securities is automatically prohibited or restricted (the automatic prohibition) under the same terms and conditions set out in the failure-to-file cease trade order in every jurisdiction that has adopted MI 11-103 and where the issuer is reporting. To revoke or vary a failure-to-file cease trade order, the issuer will generally deal only with the regulator that issued the failure-to-file cease trade order. The revocation or variation of the failure-to-file cease trade order will also have an automatic effect in multiple jurisdictions. ***The automatic prohibition, which was originally set out in Part 4D of MI 11-102, is now being adopted as a separate rule, MI 11-103.***

- *Implement two new policies, NP 11-206 and NP 11-207, to describe the processes the CSA has developed in connection with the amendments to the passport rule and MI 11-103.* NP 11-206 sets out the process for the filing and review of applications to cease to be a reporting issuer. NP 11-207 explains why the CSA will issue a failure-to-file cease trade order and sets out the process for applying for a revocation of this type of order. Both NP 11-206 and NP 11-207 also describe an interface between Ontario and the other CSA jurisdictions, including a "dual" process if the OSC is not the principal regulator. Since Ontario will not be adopting MI 11-102 amendments or MI 11-103 and orders of another CSA regulator will not automatically apply in Ontario, the dual process outlines how the OSC can opt into an order issued by another CSA regulator acting as principal regulator.

Background

On April 16, 2015, we published a Notice and Request for Comment relating to proposals reflected in the 2016 Materials (the April 2015 Materials).

Summary of Written Comments Received by the CSA

The comment period for the April 2015 Materials ended on June 15, 2015 and the CSA received one submission. The comment letter on the April 2015 Materials can be viewed on the Autorité des marchés financiers website at www.lautorite.qc.ca and on the ASC website at www.albertasecurities.com.

We have considered the comment received and thank the commenter for its input. The name of the commenter is contained in Annex A and a summary of its comments, together with our responses, is contained in Annex B.

Summary of Changes to April 2015 materials

We have made some revisions to the April 2015 Materials that were published for comment. Those revisions are reflected in the 2016 Materials that we are publishing concurrently with this notice. As these changes are not material, we are not republishing the 2016 Materials for a further comment period.

The notable changes from the April 2015 Materials are described below:

MI 11-103

In the April 2015 Materials, we proposed the automatic prohibition as an amendment to MI 11-102. We have decided to implement it as a separate rule because not all jurisdictions will adopt MI 11-103.

On July 1, 2015, Alberta implemented a statutory reciprocal order provision that provides for the automatic reciprocation of any order imposing sanctions, conditions, restrictions or requirements issued by another CSA regulator based on a finding or admission of a contravention of securities legislation. The ASC will be relying on this provision for the automatic reciprocation of failure-to-file cease trades orders and will not be adopting MI 11-103. Other jurisdictions are considering enacting a similar provision. Each jurisdiction will be able to repeal MI 11-103, without impacting MI 11-102, when it obtains a statutory reciprocal order provision.

Although the substance of MI 11-103 remains the same as what we published in the April 2015 Materials, we have expressly carved-out management cease trade orders from the definition of "failure-to-file cease trade order" to clearly reflect our stated intent that these orders are not to be automatically reciprocated at this time. CSA regulators currently have different approaches to the issuance of management cease trade orders. Further harmonization of these approaches will be necessary before management cease trade orders can be included in MI 11-103.

CP 11-102

We have deleted parts of the companion policy that related to what is now MI 11-103.

NP 11-207

Most of the changes that we have made to this policy are to reflect that we are adopting MI 11-103 as a separate rule. For example, we have removed all references to "passport" and have further streamlined the processes wherever possible.

We have also removed cease trade orders issued against "OTC reporting issuers" (as defined in Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*) from the list of orders not covered by MI 11-103 provided in section 2 of this policy. As a category of reporting issuer, OTC reporting issuers are caught by MI 11-103's definition of "failure-to-file cease trade order". As a result, the processes surrounding the issuance and revocation of failure-to-file cease trade orders issued against these reporting issuers are set out in NP 11-207.

We have added some text to explain that in a jurisdiction which has a statutory reciprocal order provision, like Alberta, all continuous disclosure cease trade orders will be automatically reciprocated in that jurisdiction even where the issuer is not a reporting issuer.

NP 12-202

We have slightly modified the title of this policy to reflect the adoption of MI 11-103 as a separate rule.

Like in NP 11-207, we have removed cease trade orders issued against OTC reporting issuers from the list of orders not covered by MI 11-103 provided in section 1 of this policy. The processes surrounding the issuance and revocation of failure-to-file cease trade orders issued against OTC reporting issuers are set out in NP 11-207.

NP 12-203 and NP 11-206

We did not make any notable changes to these policies.

Local Matters

Annex J to this notice is being published in any local jurisdiction that is making related changes to local securities laws, including changes to local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

Contents of Annexes

The following annexes form part of this CSA Notice:

ANNEX A	Commenter
ANNEX B	Summary of Comments and Responses
ANNEX C	Amendments to Multilateral Instrument 11-102 *Passport System*
ANNEX D	Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*
ANNEX E	Changes to Companion Policy 11-102CP *Passport System*
ANNEX F	National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*
ANNEX G	National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*

ANNEX H	National Policy 12-202 *Revocations of Certain Cease Trade Orders*
ANNEX I	National Policy 12-203 *Management Cease Trade Orders*
ANNEX J	Local Matters

Questions

Please refer your questions to any of the following:

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ANNEX A

Commenter

We received one comment letter from The Canadian Advocacy Council for Canadian CFA Institute Societies.

ANNEX B

Summary of Comments and Responses

No.	Subject	Summarized Comment	Response
Cease to be a reporting issuer			
1	***Agreement with proposal***	The commenter supports the inclusion of applications to cease to be a reporting issuer in the passport system. However, ideally, the process would also be available to the extent an issuer wished to revoke its status in more than one, but not all, such jurisdictions.	We thank the commenter for its support. However, we are of the view that the proposed "all or nothing" approach is the correct one. An issuer must apply to cease to be a reporting issuer in all jurisdictions in which it is a reporting issuer. Were the issuer to remain a reporting issuer in a jurisdiction in Canada, its securities would continue to be freely tradable in Canada, but shareholders in jurisdictions where the issuer has ceased to be a reporting issuer would have different rights than those where the issuer is still reporting. This approach is in line with the one currently applied in a coordinated fashion between provincial and territorial jurisdictions.
Failure-to-file cease trade orders[1]			
2	***Agreement with proposal***	The commenter supports the proposal that would result in a failure-to-file cease trade order being reciprocated across jurisdictions in which the issuer is reporting issuer. It sees no policy rationale for permitting securities to trade in other jurisdictions since investors are equally impacted by the lack of updated continuous disclosure compliant with legal requirements. The proposal will streamline the process since an issuer will only have to deal with one regulator to obtain a revocation or a variation of the order, saving the issuer both time and additional costs.	We thank the commenter for its support.
3	***Support for extending the effect of failure-to-file cease trade orders to jurisdictions where the issuer is not reporting***	The commenter agrees there are investor protection considerations that would support extending the prohibitions or restrictions contained in a failure-to-file order to other passport jurisdictions regardless of whether or not the issuer is a reporting issuer. Such actions would help avoid regulatory arbitrage.	We thank the commenter for its support. At this time, we have decided not to extend the effect of failure-to-file cease trade orders to jurisdictions where the issuer is not a reporting issuer. Rather, each province and territory is considering obtaining a provision similar to section 198.1 of Alberta's *Securities Act* (proclaimed on July 1, 2015) that allows for the automatic reciprocation in Alberta of certain orders and settlements of another securities regulatory authority. We are

[1] Proposed Part 4D of Multilateral Instrument 11-102 *Passport System* is now proposed Multilateral Instrument 11-103 *Failure-to-file Cease Trade Orders in Multiple Jurisdictions.*

No.	Subject	Summarized Comment	Response
			of the view that this alternative method would lead to the same result.
4	***Need to clearly identify in which jurisdictions a failure-to-file cease trade order has effect***	The commenter underlines the importance of clearly indicating in the order, and disseminating through other means, the jurisdictions in which a failure-to-file cease trade order has application. Such publication would help ensure that the public is aware of the order and any restrictions.	Although we understand the commenter's public information objective, we do not believe that listing jurisdictions where a failure-to-file cease trade order has effect would be appropriate. Our policies discourage trading in securities of a cease-traded issuer, even where the issuer is not a reporting issuer. We are concerned that listing where the failure-to-file cease trade order has effect could encourage trading of these securities in other jurisdictions. In any event, if a CSA regulator issues a cease trade order with respect to a Canadian-listed issuer, IIROC imposes a regulatory halt on market trading of those securities under the Universal Market Integrity Rules. We also note that under Alberta's statutory reciprocal order provision, all cease trade orders will automatically apply, even if the issuer is not a reporting issuer in Alberta. Other jurisdictions are considering a similar provision in their respective securities acts.

ANNEX C

Amendments to
Multilateral Instrument 11-102 *Passport System*

1. ***Multilateral Instrument 11-102 Passport System is amended by this Instrument.***

2. ***Section 1.1 is amended by replacing the definition of "principal regulator" with the following:***

"principal regulator" means, for a person or company, the securities regulatory authority or regulator determined in accordance with Part 3, 4, 4A, 4B or 4C, as applicable;

3. ***The Instrument is amended by adding the following Part:***

PART 4C APPLICATION TO CEASE TO BE A REPORTING ISSUER

4C.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.

4C.2 Principal regulator – general

Subject to section 4C.3 and 4C.4, the principal regulator for an application to cease to be a reporting issuer 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 an issuer other than an investment fund, the securities regulatory authority or regulator of the jurisdiction in which the issuer's head office is located.

4C.3 Principal regulator – head office not in a specified jurisdiction

Subject to section 4C.4, if the jurisdiction identified under section 4C.2 is not a specified jurisdiction, the principal regulator for the application 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.

4C.4 Discretionary change of principal regulator

If a filer receives written notice from a securities regulatory authority or regulator that specifies a principal regulator for the application, the securities regulatory authority or regulator specified in the notice is the principal regulator for the application.

4C.5 Deemed to cease to be a reporting issuer

(1) If an application to cease to be a reporting issuer is made by a reporting issuer in the principal jurisdiction, the reporting issuer is deemed to cease to be a reporting issuer in the local jurisdiction if

(a) the local jurisdiction is not the principal jurisdiction for the application,

(b) the principal regulator for the application granted the order and the order is in effect,

(c) the reporting issuer gives notice to the securities regulatory authority or regulator that this subsection is intended to be relied upon for the issuer to be deemed to cease to be a reporting issuer in the local jurisdiction, and

(d) the reporting issuer 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 reporting issuer may give the notice referred to in that paragraph by giving it to the principal regulator.

4. This Instrument comes into force on June 23, 2016.

ANNEX D

Multilateral Instrument 11-103
Failure-to-File Cease Trade Orders in Multiple Jurisdictions

PART 1
DEFINITIONS

Definitions

1. In this Instrument,

"failure-to-file cease trade order" means an order, other than a management cease trade order, in relation to a specified default that prohibits or restricts trading in, or purchasing of, securities of a reporting issuer;

"management cease trade order" means a cease trade order that prohibits or restricts trading in securities of a reporting issuer by one or more of the following:

(a) the chief executive officer of the reporting issuer or a person acting in a similar capacity;

(b) the chief financial officer of the reporting issuer or a person acting in a similar capacity;

(c) an officer or director of the reporting issuer or other person or company who had, or may have had, access directly or indirectly to a material fact or material change with respect to the reporting issuer that has not been generally disclosed;

"specified default" means a failure by a reporting issuer to comply with the requirement to file, within the time period prescribed, one or more of the following:

(a) annual financial statements;

(b) an interim financial report;

(c) an annual or interim management's discussion and analysis or annual or interim management report of fund performance;

(d) an annual information form;

(e) a certification of filings under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.

PART 2
FAILURE-TO-FILE CEASE TRADE ORDERS

Issuance and revocation of failure-to-file cease trade order

2. If an issuer is a reporting issuer in the local jurisdiction, and a securities regulatory authority or regulator in another jurisdiction of Canada makes a failure-to-file cease trade order in respect of the issuer's securities, a person or company must not trade in or purchase a security of the issuer in the local jurisdiction, except in accordance with the conditions that are contained in the order, if any, for so long as the failure-to-file cease trade order remains in effect.

PART 3
EFFECTIVE DATE

3. This Instrument comes into force on June 23, 2016.

ANNEX E

This Annex shows, by way of blackline, changes to Companion Policy 11-102CP Passport System.

Changes to Companion Policy 11-102CP *Passport System*

Companion Policy 11-102CP
Passport System

PART 1 GENERAL

1.1 Definitions

In this Policy,

"CP 33-109" means Companion Policy 33-109CP *Registration Information*;

"domestic firm" means a firm whose head office is in Canada;

"domestic individual" means an individual whose working office is in Canada;

"MI 11-101" means Multilateral Instrument 11-101 *Principal Regulator System*;

"non-principal jurisdiction" means, for a person or company, a jurisdiction other than the principal jurisdiction;

"non-principal regulator" means, for a person or company, the securities regulatory authority or regulator of a jurisdiction other than the principal jurisdiction;

"NP 11-202" means National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*;

"NP 11-203" means National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*;

"NP 11-204" means National Policy 11-204 *Process for Registration in Multiple Jurisdictions*;

"NP 11-205" means National Policy 11-205 *Process for Designation of Credit Rating Organizations in Multiple Jurisdictions*;

"NP 11-206" means National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*;

"NRD" has the same meaning as in NI 31-102;

"NRD format" has the same meaning as in NI 31-102;

"SRO" means a self-regulatory organization; and

"T&C" means a term, condition, restriction or requirement imposed by a securities regulatory authority or regulator on the registration of a firm or an individual.

1.2 Additional definitions

A term used in this policy and that is defined in NP 11-202, NP 11-203, NP 11-204, NP 11-205 and NP 11-206 has the same meaning as in those national policies.

1.3 Purpose

(1) **General** – Multilateral Instrument 11-102 *Passport System* (the Instrument) and this policy implement the passport system contemplated by the Provincial/Territorial Memorandum of Understanding Regarding Securities Regulation.

The Instrument gives each market participant a single window of access to the capital markets in multiple jurisdictions. It enables a person or company to deal only with its principal regulator to

- get deemed receipts in other jurisdictions (except Ontario) for a preliminary prospectus and prospectus,
- obtain automatic exemptions in other jurisdictions (except Ontario) equivalent to most types of discretionary exemptions granted by the principal regulator,
- register automatically in other jurisdictions (except Ontario),
- if the person or company is a credit rating organization, obtain a deemed designation as a designated rating organization in other jurisdictions (except in Ontario),
- be deemed to have ceased to be a reporting issuer in other jurisdictions (except in Ontario).

(2) **Process** – NP 11-202, NP 11-203, NP 11-204, NP 11-205 and NP 11-206 set out the processes for a market participant in any jurisdiction to obtain a deemed prospectus receipt, an automatic exemption, an automatic registration, a deemed designation as a designated rating organization, or to be deemed to cease to be a reporting issuer in a passport jurisdiction. These policies also set out processes for a market participant in a passport jurisdiction to get a prospectus receipt, a discretionary exemption or an order to cease to be a reporting issuer from the OSC or to register in Ontario or to obtain designation as a designated rating organization in Ontario.

NP 11-203 also sets out the process for seeking exemptive relief in multiple jurisdictions that falls outside the scope of the Instrument. NP 11-203 applies to a broad range of exemptive relief applications, not just discretionary exemption applications from the provisions listed in Appendix D of the Instrument. For example, NP 11-203 applies to an application to be designated a reporting issuer, a mutual fund, a non-redeemable investment fund or an insider. However, it does not apply to an application to be designated as a designated rating organization, specifically covered in NP 11-205, or to an application for an order to cease to be a reporting issuer, specifically covered in NP 11-206.

Please refer to NP 11-202, NP 11-203, NP 11-204, NP 11-205 and NP 11-206 for more details on these processes.

(3) **Interpretation of the Instrument** – As with all national or multilateral instruments, you should read the Instrument from the perspective of the local jurisdiction. For example, if the Instrument does not specify where you file a document, it means that you must file it in the local jurisdiction. In this policy, we generally use the term 'non-principal jurisdiction' instead of 'local jurisdiction'.

To get a deemed receipt for a prospectus in the non-principal jurisdiction, a filer must file the prospectus in the jurisdiction through SEDAR. Similarly, to get an automatic exemption based on a discretionary exemption granted in the principal jurisdiction, a filer must give notice under section 4.7(1)(c) of the Instrument to the securities regulatory authority or regulator in the non-principal jurisdiction. Under section 4.7(2) of the Instrument, a filer can satisfy the latter requirement by giving notice to the principal regulator instead of the securities regulatory authority or regulator in the non-principal jurisdiction.

To register in the non-principal jurisdiction, a firm or individual must make the required submission in the non-principal jurisdiction. To streamline the process, section 4A.3(3) of the Instrument allows a firm to make its submission to the principal regulator instead of the non-principal regulator. Submissions for individuals are made through NRD. If the principal regulator imposes a T&C on a firm's or individual's registration, or suspends, terminates or accepts the surrender of registration of the firm or individual, that decision applies automatically in the non-principal jurisdiction, whether or not the firm or individual registered in the non-principal jurisdiction under the Instrument.

To obtain a deemed designation as a designated rating organization in the non-principal jurisdiction, a credit rating organization must give notice under section 4B.6(1)(c) of the Instrument to the securities regulatory authority or regulator in the non-principal jurisdiction. Under section 4B.6(2) of the Instrument, a credit rating organization can satisfy the latter requirement by giving notice to the principal regulator instead of the securities regulatory authority or regulator in the non-principal jurisdiction.

To be deemed to cease to be a reporting issuer in the non-principal jurisdiction, an issuer must give notice under section 4C.5(1)(c) of the Instrument to the securities regulatory authority or regulator in the non-principal jurisdiction. Under section 4C.5(2) of the Instrument, the issuer can satisfy this requirement by giving notice to the principal regulator instead of the securities regulatory authority or regulator in the non-principal jurisdiction.

(4) **Operation of law** – The provisions of the Instrument on prospectus receipt, discretionary exemptions, registration, designation as a designated rating organization and applications for an order to cease to be a reporting issuer produce automatic legal outcomes in the non-principal jurisdiction that result from a decision made by the principal regulator. The effect is to make the law of the non-principal jurisdiction apply to a market participant as if the non-principal regulator had made the same decision as the principal regulator.

(5) **Applicable requirements** – A market participant must comply with the law of each jurisdiction in which it files a prospectus, is a reporting issuer, seeks registration, is registered or seeks designation as a designated rating organization.

- Most prospectus, continuous disclosure, registration requirements and requirements relating to designated rating organizations are harmonized and are in rules or regulations commonly referred to as 'national instruments'. The securities regulatory authorities and regulators intend to interpret and apply the harmonized requirements in national instruments in a consistent way, and we have put practices and procedures in place to achieve this objective.

- Some jurisdictions have non-harmonized requirements in Securities Acts or local rules or regulations. In addition, some national instruments contain requirements or carve-outs for specific jurisdictions, which are apparent on the face of the instruments.

- Registrants will be subject to a few non-harmonized requirements. Section 4A.5 contains a description of these requirements.

(6) **Ontario** – The OSC has not adopted the Instrument, but the Instrument provides that the OSC can be a principal regulator for purposes of a prospectus filing under Part 3, a discretionary exemption application under Part 4, registration under Part 4A, an application for designation as a designated rating organization under Part 4B and an application for an order to cease to be a reporting issuer under Part 4C. Consequently, Ontario market participants have direct access to passport as follows:

- When the OSC issues a receipt for a prospectus to an issuer whose principal jurisdiction is Ontario, a deemed receipt is automatically issued in each passport jurisdiction where the market participant filed the prospectus under the Instrument.

- When the OSC grants a discretionary exemption to a market participant whose principal jurisdiction is Ontario, the person obtains an automatic exemption from the equivalent provision of securities legislation of each passport jurisdiction for which the person gives the notice described in section 4.7(1)(c) of the Instrument.

- A firm or individual whose principal jurisdiction is Ontario and who is registered in a category in Ontario is automatically registered in the same category in a passport jurisdiction when the firm or individual makes the required submission under the Instrument.

- When the OSC designates a credit rating organization as a designated rating organization, the credit rating organization obtains a deemed designation in each passport jurisdiction for which the credit rating organization gives the notice described in section 4B.6(1)(c) of the Instrument.

- When the OSC issues an order to cease to be a reporting issuer to an issuer whose principal jurisdiction is Ontario, the issuer is deemed to cease to be a reporting issuer in each passport jurisdiction for which the issuer gives the notice described in section 4C.5(1)(c) of the Instrument.

1.4 Language of documents – Québec

The Instrument does not relieve issuers filing in Québec from the linguistic obligations prescribed by Québec law, including the specific obligations in the Québec *Securities Act* (e.g. section 40.1). For example, where a prospectus is filed in several jurisdictions including Québec, the prospectus must be in French or in French and English.

PART 2 [REPEALED]

PART 3 PROSPECTUS

3.1 Principal regulator for prospectus

For a prospectus filing subject to Part 3 of the Instrument, the principal regulator is the principal regulator identified under section 3.1 of the Instrument. Under this section, the principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 3.1(1) of the Instrument specifies the following jurisdictions for purposes of that section: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

Section 3.4 of NP 11-202 gives guidance on how to identify the principal regulator for a prospectus filing subject to Part 3 of the Instrument.

3.2 Discretionary change in principal regulator for prospectus

Section 3.2 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for a prospectus filing subject to Part 3 of the Instrument on its own motion or on application. Section 3.5 of NP 11-202 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for a prospectus filing subject to Part 3 of the Instrument.

3.3 Deemed issuance of receipt

Section 3.3 of the Instrument deems a receipt to be issued for a preliminary prospectus or prospectus in the non-principal jurisdiction if certain conditions are met. A deemed receipt in the non-principal jurisdiction has the same legal effect as a receipt issued in the principal jurisdiction.

To rely on section 3.3 of the Instrument in the non-principal jurisdiction, a filer must file on SEDAR the preliminary prospectus or the pro forma prospectus, and the prospectus, in both the non-principal jurisdiction and the principal jurisdiction. When filing, the filer must also indicate that it is filing the preliminary prospectus or pro forma prospectus under the Instrument. Under the law of the non-principal jurisdiction, these filings trigger the obligation to file supporting documents (e.g., consents and material contracts) and to pay required fees.

NP 11-202 sets out the process for making a waiver application for a prospectus filing subject to Part 3 of the Instrument.

If the principal regulator refuses to issue a receipt for a prospectus, it will notify the filer and the non-principal regulators by sending a refusal letter through SEDAR. In these circumstances, the Instrument will no longer apply to the filing and the filer may deal separately with the local securities regulatory authority or regulator in any non-principal jurisdiction in which the prospectus was filed to determine if the local securities regulatory authority or regulator would issue a local receipt.

3.4 [REPEALED]

3.5 Transition for section 3.3

Section 3.3 of the Instrument applies to a preliminary prospectus or pro forma prospectus and their related prospectus, and to an amendment to a prospectus, filed on or after March 17, 2008.

Section 3.5(1) of the Instrument removes the deemed receipt that would otherwise be available in the non-principal jurisdiction under section 3.3 of the Instrument if a preliminary prospectus amendment is filed after March 17, 2008 and the related preliminary prospectus was filed before March 17, 2008.

Section 3.5(2) provides an exemption from the requirement in section 3.3(2)(b) of the Instrument to indicate on SEDAR, at the time of filing the preliminary prospectus or pro forma prospectus, that the preliminary prospectus or pro forma prospectus is filed under Instrument. This means there is a deemed receipt in the non-principal jurisdiction for a prospectus amendment if the related preliminary prospectus or pro forma prospectus was filed before March 17, 2008 and the filer indicated on SEDAR that it filed the amendment under the Instrument at the time of filing the amendment.

PART 4 DISCRETIONARY EXEMPTIONS

4.1 Application

Part 4 of the Instrument applies to an application for a discretionary exemption from a provision listed in Appendix D of the Instrument. Part 4 does not apply to a discretionary exemption application from a provision not listed in Appendix D of the Instrument or to other types of exemptive relief applications. For example, Part 4 does not apply to an application to designate a person to be a reporting issuer, mutual fund, non-redeemable investment fund or insider.

4.2 Principal regulator for discretionary exemption applications

For purposes of a discretionary exemption application under Part 4 of the Instrument, the principal regulator is the principal regulator identified under sections 4.1 to 4.5 of the Instrument. Except under section 4.4.1, the principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 4.1 of the Instrument specifies the following jurisdictions for this purpose: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

Section 4.4.1 of the Instrument provides that the principal regulator for an application for exemption from a requirement in Parts 3 and 12 of NI 31-103 and Part 2 of NI 33-109 made in connection with an application for registration in the principal jurisdiction is the principal regulator as determined under section 4A.1 of the Instrument. The securities regulatory authority or regulator of each jurisdiction may be a principal regulator under section 4A.1 of the Instrument.

Section 3.6 of NP 11-203 gives guidance on how to identify the principal regulator for a discretionary exemption application under Part 4 of the Instrument.

4.3 Discretionary change of principal regulator for discretionary exemption applications

Section 4.6 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for a discretionary exemption application under Part 4 of the Instrument on its own motion or on application. Section 3.7 of NP 11-203 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for a discretionary exemption application under Part 4 of the Instrument.

4.4 Passport application of discretionary exemptions

Section 4.7(1) of the Instrument exempts a person or company from an equivalent provision of securities legislation in the non-principal jurisdiction if the principal regulator for the application grants the discretionary exemption, the filer gives the notice required under paragraph (c) of that section and other conditions are met. The equivalent provisions from which an automatic exemption is available under section 4.7(1) of the Instrument are set out in Appendix D of the Instrument.

If the principal regulator revokes or cancels the discretionary exemption or it expires under a sunset clause, the exemption in section 4.7 is no longer available in the non-principal jurisdiction.

A discretionary exemption under section 4.7(1) of the Instrument is available in the passport jurisdictions for which the filer gives the required notice when filing the application. However, the discretionary exemption can become available later in other passport jurisdictions if the circumstances warrant. For example, if a reporting issuer obtains a discretionary exemption from a national continuous disclosure requirement in its principal jurisdiction and an automatic exemption under section 4.7(1) in three non-principal jurisdictions in 2008 and the issuer becomes a reporting issuer in a fourth non-principal jurisdiction in 2009, the issuer could obtain an automatic exemption in the new jurisdiction. To obtain the automatic exemption in the new jurisdiction, the issuer would have to give the notice referred to in section 4.7(1)(c) of the Instrument in respect of that jurisdiction and meet the other condition of the exemption.

Under section 4.7(2) of the Instrument the filer may give the required notice to the principal regulator instead of the non-principal regulator.

A filer should identify in the application all the exemptions required and give notice for all the jurisdictions in which section 4.7(1) of the Instrument is intended to be relied upon. If an exemption is required in a non-principal jurisdiction when the filer files the application, but the filer does not give the required notice for that jurisdiction until after the principal regulator grants the exemption, the securities regulatory authority or regulator of the non-principal jurisdiction will take appropriate action. This could include removing the exemption, in which case the filer may have an opportunity to be heard in that jurisdiction in appropriate circumstances.

A principal regulator's decision to vary a decision the principal regulator previously made to exempt a person or company from a provision set out in Appendix D of the Instrument has automatic effect in a non-principal jurisdiction if

- the person or company applied in the principal jurisdiction to have the decision varied and gave the notice required under section 4.7(1)(c) of the Instrument in respect of the non-principal jurisdiction,
- the principal regulator grants the exemption and the exemption is in effect, and
- the other conditions of section 4.7(1) of the Instrument are met.

If the principal regulator for an application for exemption from a filing requirement under section 6.1 of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) grants an exemption under section 4.7(1) of the Instrument, a person or company has an automatic exemption in a non-principal jurisdiction under the section only if

- the filing requirement arises from the person or company relying on one of the provisions referred to in section 6.1 of NI 45-106 in the principal jurisdiction,
- the person or company is relying on the equivalent exemption in the non-principal jurisdiction, and
- the person or company complies with the conditions of section 4.7(1) of the Instrument.

Because, under the Instrument, a person or company files an application for a discretionary exemption only in the principal jurisdiction to obtain an automatic exemption in multiple jurisdictions, the filer is required to pay fees only in the principal jurisdiction.

NP 11-203 sets out the process for seeking exemptive relief in multiple jurisdictions, including the process for seeking a discretionary exemption under Part 4 of the Instrument.

4.5 Availability of passport for discretionary exemptions applied for before March 17, 2008

Under section 4.8(1) of the Instrument, an exemption from the equivalent provision is automatically available in the local jurisdiction if

- an application was made in a specified jurisdiction before March 17, 2008 for an exemption from a provision of securities legislation that is now listed in Appendix D of the Instrument,
- the securities regulatory authority or regulator in the specified jurisdiction granted the exemption before, on or after March 17, 2008, and
- certain other conditions are met.

These conditions include giving the notice required under section 4.8(1)(c). Section 4.8(2) permits the filer to give the required notice to the securities regulatory authority or regulator that would be the principal regulator for the application under Part 4 if an application were to be made under that Part at the time the notice is given, instead of to the non-principal regulator.

Under section 4.1, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

A specified jurisdiction for purposes of section 4.8 of the Instrument is a principal jurisdiction under MI 11-101.

The combined effect of sections 4.8(1) and 4.8(3) is to make an exemption from a CD requirement granted by the principal regulator before March 17, 2008 under MI 11-101 automatically available in the non-principal jurisdiction, even though the decision of the principal regulator under MI 11-101 does not refer to the non-principal jurisdiction. To benefit from this, however, the reporting issuer must comply with the terms and conditions of the decision of the principal regulator under MI 11-101. Only exemptions granted from CD requirements that are now listed in Appendix D of the Instrument become available in the non-principal jurisdiction in this way.

Appendix A of this policy lists the CD requirements from which a reporting issuer could get an exemption under section 3.2 of MI 11-101. Appendix D of the Instrument sets out the list of equivalent provisions.

PART 4A REGISTRATION

4A.1 Application

The Instrument permits a firm or individual to register automatically in a non-principal jurisdiction based on its principal jurisdiction registration. It also makes some types of regulatory decisions by a firm's or individual's principal regulator apply automatically in each non-principal jurisdiction where the firm or individual is registered, whether or not the firm or individual is registered automatically under the Instrument.

Permitted individual
The Instrument does not apply to "permitted individuals" under NI 33-109 because these individuals are not registered under securities legislation. The Instrument applies to a permitted individual only if the permitted individual becomes registered in a category in his or her principal jurisdiction and seeks registration in the same category in a non-principal jurisdiction.

Restricted dealers and their representatives
Section 4A.3 of the Instrument does not apply to a firm registered in the category of "restricted dealer" under NI 31-103. To register in a non-principal jurisdiction, a restricted dealer must apply directly to the non-principal regulator. Automatic registration under the Instrument does not apply to restricted dealers because there are no standard requirements for this category and most firms registered as restricted dealers operate in a single jurisdiction. However, if a restricted dealer registers directly in the same category in a non-principal jurisdiction, the provisions of the Instrument relating to T&Cs (section 4A.5), suspension (section 4A.6), termination (section 4A.7) and surrender (section 4A.8) apply to the firm.

All the provisions of the Instrument apply to the dealing representatives of a restricted dealer. This includes automatic registration under section 4A.4 of the Instrument if the representative's sponsoring firm is registered as a restricted dealer in the representative's principal jurisdiction and the non-principal jurisdiction in which the representative seeks registration. It also includes the provisions of the Instrument relating to T&Cs (section 4A.5), suspension (section 4A.6), termination (section 4A.7) and surrender (section 4A.8).

4A.2 Registration by SRO

The securities regulatory authority or regulator in some jurisdictions has delegated, assigned or authorized an SRO to perform all or part of its registration function. The instrument applies to the decisions made by SROs under these arrangements. For more details, refer to section 3.5 of NP 11-204.

4A.3 Principal regulator for registration

The principal regulator of a firm or individual is the securities regulatory authority or regulator identified under section 4A.1 of the Instrument. The securities regulatory authority or regulator of any jurisdiction can be a principal regulator for registration.

Section 3.6 of NP 11-204 gives guidance on how to identify the principal regulator of a firm or individual under Part 4A of the Instrument.

4A.4 Discretionary change of principal regulator for registration

Section 4A.2 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for the purpose of Part 4A of the Instrument. Section 3.7 of NP 11-204 gives guidance on the process for a discretionary change of principal regulator for registration under Part 4A of the Instrument.

4A.5 Registration

Sections 4A.3 and 4A.4 of the Instrument are available for firms or individuals required to be registered under NI 31-103, except for firms registering as restricted dealers.

A firm or individual who registers in a non-principal jurisdiction under section 4A.3 or 4A.4 of the Instrument must comply with all applicable requirements of the non-principal jurisdiction, including the obligation to pay the required fees in that jurisdiction and any non-harmonized requirements.

In Québec, firms and individuals in the mutual fund and scholarship plan sectors are subject to a specific regulatory framework that also applies under passport:

- mutual fund firms registered in Québec are not required to be members of the Mutual Fund Dealers Association of Canada (MFDA) and are under the direct supervision of the Autorité des marchés financiers, as are scholarship plan firms,
- individuals in the mutual fund and scholarship plan sectors are required to be members of the Chambre de la sécurité financière,
- firms and individuals must maintain professional liability insurance, and
- firms must contribute to the Fonds d'indemnisation des services financiers which provides financial compensation to investors who are victims of fraudulent tactics or embezzlement committed by these firms or individuals.

In addition, in Québec, an individual who is a representative of an investment dealer cannot concurrently be employed by a financial institution and carry on business as a representative in a Québec branch of a financial institution unless he or she is a representative specialized in mutual funds or scholarship plans.

In British Columbia, investment dealers that trade in the U.S. over-the-counter markets must comply with local requirements to manage the risks of trading these securities, retain records and report quarterly to the Commission.

To register in a non-principal jurisdiction
Before making a submission under section 4A.3 or 4A.4, the firm or individual should ensure that the firm's or individual's principal jurisdiction is correctly identified in the firm's or individual's latest submission under NI 33-109.

Firm
Under section 4A.3(1) of the Instrument, if a firm is registered in its principal jurisdiction in a category set out in NI 31-103, other than the category of "restricted dealer", the firm is registered in the same category in a non-principal jurisdiction if the firm

(a) has submitted a completed Form 33-109F6 in accordance with NI 33-109, and

(b) is a member of an SRO if required for that category.

A firm should refer to Part 4 and section 5.2 of NP 11-204 for guidance on how to make its submission under the Instrument.

Under section 4A.3(3) of the Instrument, a firm may make the relevant submission by giving it to its principal regulator instead of the non-principal regulator. In a jurisdiction where the principal regulator has delegated, assigned or authorized an SRO to register firms, the firm should make the submission by giving it to the relevant office of the SRO.

To register under section 4A.3(1) of the Instrument, the firm must be a member of an SRO if required in the local jurisdiction for that category of registration. This condition does not apply if the firm has an exemption in the local jurisdiction from the requirement to be a member of the SRO. All jurisdictions require investment dealers to be members of the Investment Industry Regulatory Organization of Canada. All jurisdictions, except Québec, require mutual fund dealers to be members of the MFDA. A mutual fund dealer whose principal jurisdiction is Québec must be a member of the MFDA before it can register in another jurisdiction.

Individual

Under section 4A.4 of the Instrument, if an individual acting on behalf of a sponsoring firm is registered in his or her principal jurisdiction in a category set out in NI 31-103, the individual is registered in the same category in a non-principal jurisdiction if

(a) the individual's sponsoring firm is registered in the non-principal jurisdiction in the same category as in the firm's principal jurisdiction,

(b) the individual submitted a completed Form 33-109F2 or Form 33-109F4 in accordance with NI 33-109, and

(c) the individual is a member or an approved person of an SRO if required for that category.

Section 5.2 of NP 11-204 provides guidance on how to make a submission.

To register under section 4A.4 of the Instrument, the individual must be a member or an approved person of an SRO if required in the local jurisdiction for that category of registration. This condition does not apply if the individual has an exemption in the local jurisdiction from the requirement to be a member or approved person of the SRO. Québec legislation requires individuals who are representatives of mutual fund or scholarship plan dealers to be members of the Chambre de la sécurité financière. Other jurisdictions require individuals who are representatives of mutual fund dealers to be approved persons under the rules of the MFDA.

For greater certainty, if an individual is registered in a category in his or her principal jurisdiction for more than one sponsoring firm, each sponsoring firm must be registered in the same category in the non-principal jurisdiction in which the individual seeks registration under section 4A.4 of the Instrument.

4A.6 Terms and conditions of registration

Section 4A.5(1) of the Instrument provides that, if a firm or individual is registered in the same category in the principal jurisdiction and in the non-principal jurisdiction, a T&C imposed on the registration in the principal jurisdiction applies to the firm or individual as if it were imposed in the non-principal jurisdiction (i.e., by operation of law). Under section 4A.5(2) of the Instrument, a T&C continues to apply until the earlier of the date the securities regulatory authority or regulator that imposed it, cancels or revokes it, or it expires.

Under section 4A.5 of the Instrument, if the principal regulator amends or adds a T&C to a category in which a firm or individual is registered, the amended or additional T&C automatically applies to the firm's or individual's registration in the same category in the non-principal jurisdiction.

In the event of a change of principal regulator, and for each category in which a firm or an individual is registered in the non-principal jurisdiction under section 4A.3 or 4A.4 of the Instrument, the firm's or individual's

- original principal regulator will revoke any T&C it imposed, and
- new principal regulator will adopt any T&C's that are appropriate.

This will enable the new principal regulator to amend the firm's or individual's T&Cs in appropriate circumstances and result in any T&C amended by the new principal regulator applying automatically in a non-principal jurisdiction as if it had been imposed in that jurisdiction (i.e., by operation of law).

4A.7 Suspension

Under section 4A.6 of the Instrument, if a firm's or an individual's registration in the principal jurisdiction is suspended, the firm's or individual's registration is automatically suspended in any non-principal jurisdiction where the firm or individual is registered.

For greater certainty, a suspension of registration is a suspension of a firm's or individual's trading or advising privileges and the firm or individual remains registered under securities legislation. A firm's or individual's registration is suspended on the same day in the principal jurisdiction and the non-principal jurisdiction. NRD will show the same suspension date in each relevant jurisdiction.

A firm's or individual's registration is suspended in the non-principal jurisdiction for as long as the firm's or individual's registration is suspended in the principal jurisdiction. If the principal regulator lifts a firm's or individual's suspension, the firm or individual may resume trading or advising in the non-principal jurisdiction on the date NRD shows that the suspension has been lifted. Any T&C imposed by the principal regulator when it lifts a suspension applies automatically in the non-principal jurisdiction under section 4A.5 of the Instrument.

4A.8 Termination

Under section 4A.7 of the Instrument, if a firm's or individual's registration in the principal jurisdiction is cancelled, revoked or terminated, as applicable, the firm's or individual's registration in the non-principal jurisdiction is automatically cancelled, revoked or terminated, as applicable. A firm's or individual's registration is terminated on the same date in the principal jurisdiction and the non-principal jurisdiction. NRD will show the same termination date in each relevant jurisdiction.

4A.9 Surrender

Under section 4A.8 of the Instrument, a firm's or individual's registration is automatically cancelled, revoked or terminated, as applicable, in a category in all non-principal jurisdictions in which the firm or individual is registered if the firm or individual applies to surrender registration in the category in its principal jurisdiction and the principal regulator accepts the surrender.

A firm should submit an application to surrender registration in one or more categories in the firm's principal jurisdiction and Ontario, if Ontario is a non-principal jurisdiction. The application should identify any non-principal jurisdiction where the firm is registered in the same category(ies). In a jurisdiction where the principal regulator has delegated, assigned or authorized an SRO to perform registration functions, a firm should submit its application to surrender to the relevant office of the SRO. A firm should refer to Appendix B of CP 33-109 for guidance on how to submit its application for surrender to the principal regulator or the relevant office of the SRO.

An individual should make the relevant NRD submission under NI 33-109 to surrender registration.

If a firm or individual applies to surrender a category in the principal jurisdiction, the principal regulator may suspend registration in the category pending surrender, or impose a T&C. See section 4A.7 of this Policy for guidance on suspension of registration.

If the principal regulator imposes a T&C, section 4A.5 of the Instrument provides that the T&C applies in each non-principal jurisdiction where a firm or individual is registered in the same category as if the T&C had been imposed in the non-principal jurisdiction.

The Instrument does not deal with a firm or individual that seeks to surrender a category in a non-principal jurisdiction only. If a firm or individual seeks to surrender a category in a non-principal jurisdiction, other than Ontario,

- the firm may still submit its application by giving it to the principal regulator only or, if the principal regulator has delegated, assigned or authorized an SRO to perform registration functions, the relevant office of the SRO in the principal jurisdiction,
- the individual should make the relevant NRD submission under NI 33-109,
- the firm's or individual's submission should indicate the non-principal jurisdiction where the firm or individual is applying to surrender registration, and
- the fact that a securities regulatory authority, regulator or SRO accepts the surrender of registration of a firm or individual in the non-principal jurisdiction does not affect the registration of the firm or individual in another jurisdiction.

4A.10 Transition – terms and conditions in non-principal jurisdiction

The purpose of section 4A.9(1) of the Instrument is to delay until October 28, 2009 the automatic application of section 4A.5 of the Instrument in a non-principal jurisdiction in which a firm or individual is registered on September 28, 2009. This gives the firm or individual time to make an application under section 4A.9(2) of the Instrument for an exemption from having a T&C imposed by the principal regulator apply automatically in the non-principal jurisdiction.

A firm or individual should apply for the exemption contemplated in section 4A.9(2) of the Instrument separately in each non-principal jurisdiction because the purpose of the exemption application is to give the firm or individual an opportunity to be heard on the automatic application in the non-principal jurisdiction of a T&C imposed by the principal regulator. For this reason, a firm or individual should not make the application under NP 11-203.

If a firm or individual does not apply for an exemption under section 4A.9(2) of the Instrument in a non-principal jurisdiction,

- a T&C imposed by the principal regulator automatically applies on October 28, 2009 in the non-principal jurisdiction, and
- a T&C previously imposed by the non-principal regulator ceases to apply unless it is enforcement related.

4A.11 Transition – notice of principal regulator for foreign firm

Under section 4A.10(1) of the Instrument, a foreign firm registered in a category in multiple jurisdictions before September 28, 2009 is required to submit the information to identify its principal jurisdiction in item 2.2(b) in Form 33-109F6 by submitting a Form 33-109F5 on or before October 28, 2009. This information will determine the foreign firm's principal regulator under section 4A.1 of the Instrument.

Section 4A.10(2) of the Instrument permits the foreign firm to make this submission to a non-principal regulator by giving it only to its principal regulator. In a jurisdiction where the principal regulator has delegated, assigned or authorized an SRO to perform registration functions, the foreign firm should make the submission to the relevant office of the SRO. Foreign firms should refer to Appendix B of CP 33-109 for guidance on how to make a submission.

Because the principal regulator for a foreign individual is the same as the principal regulator for the individual's sponsoring firm, the Instrument does not require the foreign individual to make a submission to identify the individual's principal regulator.

PART 4B APPLICATION TO BECOME A DESIGNATED RATING ORGANIZATION

4B.1 Application

Part 4B of the Instrument only applies to an application for designation as a designated rating organization. Designated rating organizations applying for a discretionary exemption from a provision of National Instrument 25-101 *Designated Rating Organizations* should refer to Part 4 of the Instrument.

4B.2 Principal regulator for application for designation

For purposes of an application for designation as a designated rating organization under Part 4B of the Instrument, the principal regulator is the principal regulator identified under sections 4B.2 to 4B.5 of the Instrument. The principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 4B.1 of the Instrument specifies the following jurisdictions for this purpose: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and New Brunswick.

Section 7 of NP 11-205 gives guidance on how to identify the principal regulator for an application for designation as a designated rating organization under Part 4B of the Instrument.

4B.3 Discretionary change of principal regulator for application for designation

Section 4B.5 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for an application for designation as a designated rating organization under Part 4B of the Instrument on its own motion or on application. Section 8 of NP 11-205 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for an application for designation as a designated rating organization under Part 4B of the Instrument.

4B.4 Passport application of designation

Section 4B.6(1) of the Instrument provides that a credit rating organization is deemed to be designated as a designated rating organization in the non-principal jurisdiction if the principal regulator for the application grants the designation, the credit rating organization gives the notice required under paragraph (c) of that section and other conditions are met.

A deemed designation under section 4B.6(1) of the Instrument is available in the passport jurisdictions for which the credit rating organization gives the required notice when filing the application for designation. Credit rating organizations should give the notice in paragraph (c) of that section for all passport jurisdictions. However, the deemed designation can become available later in other passport jurisdictions if the circumstances warrant. To obtain the deemed designation in the new jurisdiction, the credit

rating organization would have to give the notice referred to in section 4B.6(1)(c) of the Instrument in respect of that jurisdiction and meet the other conditions of the designation.

Because, under the Instrument, a credit rating organization makes an application for designation only in the principal jurisdiction to obtain a deemed designation in multiple jurisdictions, the credit rating organization is required to pay fees only in the principal jurisdiction.

NP 11-205 sets out the process for seeking designation as a designated rating organization in multiple jurisdictions under Part 4B of the Instrument.

PART 4C APPLICATION TO CEASE TO BE A REPORTING ISSUER

4C.1 Application

Part 4C of the Instrument only applies to an application for an order to cease to be a reporting issuer.

4C.2 Principal regulator for application to cease to be a reporting issuer

For purposes of an application for an order to cease to be a reporting issuer under Part 4C of the Instrument, the principal regulator is the principal regulator identified under sections 4C.2 and 4C.3 of the Instrument. The principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 4C.1 of the Instrument specifies the following jurisdictions for this purpose: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

Section 8 of NP 11-206 gives guidance on how to identify the principal regulator for an application to cease to be a reporting issuer under Part 4C of the Instrument.

4C.3 Discretionary change of principal regulator

Section 4C.4 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for an application to cease to be a reporting issuer under Part 4C of the Instrument on its own motion. Section 9 of NP 11-206 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for an application to cease to be a reporting issuer under Part 4C of the Instrument.

4C.4 Deemed to cease to be a reporting issuer

Subsection 4C.5(1) of the Instrument provides that an issuer is deemed to cease to be a reporting issuer in the non-principal jurisdiction if the principal regulator for the application issues the order, the issuer gives the notice required under paragraph (c) of that subsection and other conditions are met. Issuers should give this notice in each passport jurisdiction in which it is a reporting issuer. Under subsection 4C.5(2) of the Instrument, the filer may satisfy this notice requirement by giving the required notice to the principal regulator.

Under the Instrument, an issuer makes an application only in the principal jurisdiction to obtain an order deeming it to cease to be a reporting issuer in multiple jurisdictions. As a result, the issuer is required to pay fees only in the principal jurisdiction.

NP 11-206 sets out the process for seeking an order to cease to be a reporting issuer in multiple jurisdictions under Part 4C of the Instrument.

4C.5 Transition

Subsection 40(1) of NP 11-206 provides that the coordinated review process set out in NP 11-203 will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before June 23, 2016.

Subsection 40(2) of NP 11-206 provides that the coordinated review process set out under the heading “The Simplified Procedure” in CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before June 23, 2016.

PART 5 EFFECTIVE DATE

5.1 Effective date

The Instrument applies to continuous disclosure documents, prospectuses and discretionary exemption applications filed on or after March 17, 2008.

The Instrument applies to an individual or firm seeking registration outside its principal jurisdiction on or after September 28, 2009. In addition, it applies to an individual or firm that is registered on that date unless the individual or firm requests and obtains an exemption under subsection 4A.9(2).

The Instrument applies to applications for designation as a designated rating organization filed on or after April 20, 2012.

The Instrument applies to applications for an order to cease to be a reporting issuer filed on or after June 23, 2016.

Companion Policy 11-102CP
Passport System

Appendix A

CD requirements under MI 11-101

For ease of reference, this appendix reproduces the definition of CD requirements in MI 11-101 even though some references might no longer be relevant because sections were repealed after September 19, 2005 when MI 11-101 came into force.

British Columbia:	
Securities Act:	section 85 and 117
Securities Rules:	section 144 (except as it relates to fees), 145 (except as it relates to fees), 152 and 153 sections 2, 3 and 189 as they relate to a filing under another CD requirement, as defined in MI 11-101
Alberta:	
Securities Act:	sections 146, 149 (except as it relates to fees), 150, 152 and 157.1
Securities Commission Rules (General):	except as it relates to a prospectus, section 143 – 169, 196 and 197
Saskatchewan:	
The Securities Act, 1988:	section 84, 86 – 88, 90, 94 and 95
The Securities Regulations:	section 117 – 138.1 and 175 as it relates to a filing under another CD requirement, as defined under MI 11-101
Manitoba:	
Securities Act:	sections 101(1), 102(1), 104, 106(3), 119, 120 (except as it relates to fees) and 121–130
Securities Regulation:	sections 38 – 40 and 80 – 87
Québec:	
Securities Act:	sections 73 excluding the filing requirement of a statement of material change, 75 excluding the filing requirement, 76, 77 excluding the filing requirement, 78, 80 – 82.1, 83.1, 87, 105 excluding the filing requirement, 106 and 107 excluding the filing requirement
Securities Regulation:	sections 115.1 – 119, 119.4, 120 – 138 and 141 – 161
Regulations:	No. 14, No. 48, Q-11, Q-17 (Title IV) and 62 – 102 A document filed with or delivered to the Autorité des marchés financiers, delivered to securityholder in Québec or disseminated in Québec under section 3.2 of the Instrument, is deemed, for the purposes of securities legislation in Québec, to be a document filed, delivered or disseminated under Chapter II of Title III or section 84 of the *Securities Act* (Québec).
New Brunswick:	
Securities Act:	sections 89(1) – (4), 90, 91, 100 and 101
Nova Scotia:	
Securities Act:	section 81, 83, 84 and 91
General Securities Rules:	sections 9, 140(2), 140(3) and 141
Newfoundland and Labrador:	
Securities Act:	except as they relate to fees, sections 76, 78 – 80, 82, 86 and 87
Securities Regulations:	sections 4 – 14 and 71 – 80

Yukon:

Securities Act: section 22(5) except as it relates to filing a new or amended prospectus

All jurisdictions:

(a) National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, except as it relates to a prospectus,

(b) National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, except as it relates to a prospectus,

(c) National Instrument 51-102 *Continuous Disclosure Obligations*,

(d) National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards,*

(e) National Instrument 52-108 *Auditor Oversight*,

(f) National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*,

(g) National Instrument 52-110 *Audit Committees*, except in British Columbia,

(h) BC Instrument 52-509 *Audit Committees*, only in British Columbia,

(i) National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer,*

(j) National Instrument 58-101 *Disclosure of Corporate Governance Practices*,

(k) section 8.5 of National Instrument 81-104 *Commodity Pools*, and

(l) National Instrument 81-106 *Investment Fund Continuous Disclosure*.

ANNEX F

National Policy 11-206
Process for Cease to be a Reporting Issuer Applications

PART 1
APPLICATION

Application

1. This policy describes the process for the filing and review of an application by a filer for an order that an issuer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer.

PART 2
DEFINITIONS

Definitions

2. In this policy

"AMF" means the regulator in Québec;

"application" means a request by a filer for an order for an issuer to cease to be a reporting issuer in all the jurisdictions of Canada in which it is a reporting issuer;

"beneficial owner" means a beneficial owner as defined in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

"dual application" means an application described in section 7 of this policy;

"dual review" means the review under this policy of a dual application;

"filer" means

(a) an issuer filing an application, or

(b) an agent of a person referred to in paragraph (a);

"marketplace" means a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

"modified procedure" means the procedure for issuers with a *de minimis* connection to Canada described in section 20 of this policy;

"notified passport jurisdiction" means a passport jurisdiction for which a filer gave the notice referred to in paragraph 4C.5(1)(c) of Multilateral Instrument 11-102 *Passport System*;

"OSC" means the regulator in Ontario;

"passport application" means an application described in section 6 of this policy;

"passport jurisdiction" means the jurisdiction of a passport regulator;

"passport regulator" means a regulator that has adopted Multilateral Instrument 11-102 *Passport System*;

"pre-filing" means a consultation with the principal regulator for an application, initiated before the filing of the application, regarding the interpretation of securities legislation or securities directions or their application to a particular application;

"regulator" means a securities regulatory authority or regulator;

"securityholder" means, for a security, the beneficial owner of the security;

"simplified procedure" means the procedure for issuers that have a *de minimis* number of securityholders as described in section 19 of this policy.

Further definitions

3. Terms used in this policy that are defined in Multilateral Instrument 11-102 *Passport System*, National Instrument 14-101 *Definitions* or, in Québec, in *Regulation 14-501Q on definitions*, have the same meaning as in those instruments.

Interpretation

4. For the purposes of this policy, a reference to an application for an order that an issuer has ceased to be a reporting issuer is deemed to include:

(a) an application under section 153 of the *Securities Act* (Alberta) for an order that the reporting issuer is deemed to have ceased to be a reporting issuer,

(b) an application under section 88 of the *Securities Act* (British Columbia) for an order that the reporting issuer is deemed to have ceased to be a reporting issuer,

(c) an application under subparagraph 1(1.2)(b) of the *Securities Act* (Manitoba) for an order declaring that an issuer has ceased to be a reporting issuer,

(d) an application under subparagraph 1.1(1)(a) of the *Securities Act* (New Brunswick) for an order designating for the purposes of New Brunswick securities law, a person not to be a reporting issuer,

(e) an application under section 84 of the *Securities Act* (Newfoundland and Labrador) for an order that the reporting issuer is no longer a reporting issuer,

(f) an application under subparagraph 6(1)(a) of the *Securities Act* (Northwest Territories) for an order designating an issuer to cease to be a reporting issuer,

(g) an application under section 89 of the *Securities Act* (Nova Scotia) for an order that the reporting issuer is deemed to have ceased to be a reporting issuer,

(h) an application under subparagraph 6(1)(a) of the *Securities Act* (Nunavut) for an order designating an issuer to cease to be a reporting issuer,

(i) an application under clause 1(10)(a)(ii) of the *Securities Act* (Ontario) for an order that, for the purposes of Ontario securities law, a person or company is not a reporting issuer,

(j) an application under subparagraph 6(1)(a) of the *Securities Act* (Prince Edward Island) for an order designating an issuer to cease to be a reporting issuer,

(k) an application under section 92 of the *Securities Act*, *1988* (Saskatchewan), for an order that the reporting issuer is no longer a reporting issuer,

(l) an application under section 69 or 69.1 of the *Securities Act* (Québec), for an order to revoke the issuer's status as a reporting issuer, and

(m) an application under subparagraph 6(1)(a) of the *Securities Act* (Yukon) for an order designating an issuer to cease to be a reporting issuer.

PART 3
OVERVIEW, PRINCIPAL REGULATOR AND GENERAL GUIDELINES

Overview

5. This policy applies to an application by a filer for an order that an issuer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer. An issuer may not apply to cease to be a reporting issuer in only some, but not all, of the jurisdictions in which it is a reporting issuer.

These are the possible types of applications:

(a) the principal regulator is a passport regulator and the issuer is not a reporting issuer in Ontario. This is a "passport application",

(b) the principal regulator is the OSC and the issuer is also a reporting issuer in a passport jurisdiction. This is also a "passport application",

(c) the principal regulator is a passport regulator and the issuer is also a reporting issuer in Ontario. This is a "dual application".

An application under this policy may not be combined with an application for exemptive relief under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*.

Passport application

6. **(1)** If the principal regulator is a passport regulator and the issuer is not a reporting issuer in Ontario, the filer files the application only with, and pays fees only to, the principal regulator. Only the principal regulator reviews the application. The principal regulator's order is deemed to automatically have the same result in the notified passport jurisdictions.

(2) If the principal regulator is the OSC and the filer also seeks an order for the issuer to cease to be a reporting issuer in a passport jurisdiction, the filer files the application only with, and pays fees only to, the OSC. Only the OSC reviews the application. The OSC's order is deemed to automatically have the same result in the notified passport jurisdictions.

Dual application

7. If the principal regulator is a passport regulator and the issuer is also a reporting issuer in Ontario, the filer files the application with, and pays fees to, both the principal regulator and the OSC. The principal regulator reviews the application and the OSC, as a non-principal regulator, coordinates its review with the principal regulator. The principal regulator's order is deemed to automatically have the same result in the notified passport jurisdictions and evidences the decision of the OSC.

Principal regulator

8. **(1)** For any application under this policy, the principal regulator is identified in the same manner as in sections 4C.1 to 4C.4 of Multilateral Instrument 11-102 *Passport System*. This section summarizes sections 4C.1 to 4C.4 of Multilateral Instrument 11-102 *Passport System* and provides guidance on identifying the principal regulator for an application under this policy.

(2) For the purpose of this section, a specified jurisdiction is one of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick or Nova Scotia.

(3) Except as provided in subsection (4) and in section 9 of this policy, the principal regulator is,

(a) for an application made for an investment fund, the regulator of the jurisdiction in which the investment fund manager's head office is located, or

(b) for an application made for an issuer other than an investment fund, the regulator of the jurisdiction in which the issuer's head office is located.

(4) If the jurisdiction identified under subsection (3) is not a specified jurisdiction, the principal regulator for the application is the 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.

(5) The factors a filer should consider in identifying the principal regulator for the application based on the most significant connection test are, in order of influential weight:

(a) location of management,

(b) location of assets and operations,

(c) location of majority of securityholders or clients, and

(d) location of trading market or quotation and trade reporting system in Canada.

Discretionary change in principal regulator

9. **(1)** If the principal regulator identified under section 8 of this policy thinks it is not the appropriate principal regulator, it will first consult with the filer and the other regulator it thinks would be more appropriate. If all agree, the first identified principal regulator will give the filer written notice of the new principal regulator and the reasons for the change.

(2) A filer may request a discretionary change of principal regulator for an application if

(a) the filer believes the principal regulator identified under section 8 of this policy is not the appropriate principal regulator,

(b) the location of the head office changes over the course of the application, or

(c) the most significant connection to a specified jurisdiction changes over the course of the application.

(3) Regulators do not anticipate changing a principal regulator except in exceptional circumstances.

(4) A filer should submit a written request for a change in principal regulator to its current principal regulator and include the reasons for requesting the change. The current principal regulator will consult with the other regulator the filer thinks would be more appropriate. If they both agree, the first identified principal regulator will give the filer written notice of the new principal regulator.

General guidelines

10. **(1)** A regulator will generally send communications to a filer by e-mail.

(2) The British Columbia Securities Commission allows reporting issuers to voluntarily surrender their reporting issuer status under certain circumstances set out in BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*. However, that procedure is only available for an issuer that is only a reporting issuer in British Columbia and may not be used by an issuer that intends to apply for an order under this policy.

Issuers subject to business corporations legislation in certain jurisdictions

11. In certain jurisdictions of Canada, the local business corporations legislation:

(a) contains certain provisions that apply to reporting issuers that were incorporated, continued or amalgamated under the business corporations legislation, and

(b) provides that if a reporting issuer no longer wants those provisions to apply to it, it must obtain an order from the relevant regulator that it is no longer a public company for the purposes of the business corporations legislation.

Issuers should review their business corporations legislation to determine if they need to make a separate application to the relevant regulator for an order under the business corporations legislation. An order obtained under this policy is only for the purposes of securities legislation.

Reporting issuer that has been dissolved or terminated

12. **(1)** A reporting issuer does not need to apply for an order that it has ceased to be a reporting issuer if it is:

(a) a corporation that was dissolved under applicable corporate legislation,

(b) a limited partnership that was dissolved under applicable limited partnership legislation,

(c) a trust that was terminated under its declaration of trust, or

(d) another form of business organization that was dissolved or terminated under its applicable governing legislation or constating or establishing document.

(2) In each case, it will be sufficient if an agent files evidence of the dissolution or termination with the regulator in each jurisdiction where the issuer was a reporting issuer.

(3) For a corporation, sufficient evidence includes a copy of the certificate and articles of dissolution.

(4) For a limited partnership, sufficient evidence typically includes:

(a) a copy of the declaration of dissolution or similar document filed under applicable limited partnership legislation, and

(b) a written representation from the general partner about the effective date of dissolution under applicable limited partnership legislation.

(5) For a trust, sufficient evidence typically includes:

(a) a copy of the resolution authorizing the termination of the trust,

(b) a report on voting results indicating that the resolution was passed,

(c) a written representation that the trust no longer exists (it is sufficient if this representation is provided by an agent or former trustees or officers),

(d) a copy of the change in corporate structure notice filed under section 4.9 of National Instrument 51-102 *Continuous Disclosure Obligations* or a copy of the change in legal structure notice filed under section 2.10 of National Instrument 81-106 *Investment Fund Continuous Disclosure*, and

(e) evidence such as a copy of a news release or written submission from an agent that the trust has no securities outstanding and none are traded on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.

(6) If an issuer has commenced dissolution proceedings but still exists, it will remain a reporting issuer in the absence of an order that it has ceased to be a reporting issuer.

Issuers that are only a reporting issuer in one jurisdiction

13. If an issuer is only a reporting issuer in one jurisdiction, it may apply for a local order to cease to be a reporting issuer in that jurisdiction. Although the application will be treated as a local application rather than as an application under this policy, the regulator in the jurisdiction will generally apply the principles set out in this policy to that application.

The British Columbia Securities Commission allows reporting issuers that are only reporting in British Columbia to voluntarily surrender their reporting issuer status under certain circumstances set out in BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status.*

Resale restrictions

14. For applications under the modified procedure or in the procedure for other applications described in section 21 of this policy, a filer should consider whether any of the issuer's securities may be subject to any resale restrictions under applicable securities legislation following the issuance of an order that the issuer has ceased to be a reporting issuer.

If the issuer has, at any time in the past, issued securities to Canadian securityholders pursuant to certain prospectus exemptions, those Canadian securityholders would no longer be able to rely on the resale provisions in sections 2.5 and 2.6 of National Instrument 45-102 *Resale of Securities* to sell their securities if the issuer has ceased to be a reporting issuer.

The issuer should disclose, in its application, what efforts it has conducted to ascertain the number of Canadian securityholders who purchased securities pursuant to a prospectus exemption and still hold those securities. The issuer should provide an analysis of whether those Canadian securityholders can rely on section 2.14 or any other provision in National Instrument 45-102 *Resale of Securities* to sell their securities following the issuance of the order that the issuer has ceased to be a reporting issuer.

If Canadian securityholders would not be able to rely on a provision in National Instrument 45-102 *Resale of Securities* to sell their securities following the issuance of the requested order, the issuer should disclose, in its application, whether the issuer will be filing a separate application for exemptive relief under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* to permit such sales.

PART 4
PRE-FILINGS

General

15. **(1)** A filer should submit a pre-filing sufficiently in advance of an application to avoid any delays in the processing of the application.

(2) Generally, a pre-filing should only be made where an application will involve a novel and substantive issue or raise a novel policy concern.

(3) The principal regulator will treat the pre-filing as confidential except that it may:

(a) provide copies or a description of the pre-filing to other regulators for discussion purposes, and

(b) have to release the pre-filing under freedom of information and protection of privacy legislation.

Procedure for passport application pre-filing

16. A filer should submit a pre-filing for a passport application by letter to the principal regulator and should:

(a) identify in the pre-filing the principal regulator for the application and each passport jurisdiction for which the filer intends to give the notice referred to in paragraph 4C.5(1)(c) of Multilateral Instrument 11-102 *Passport System*, and

(b) submit the pre-filing to the principal regulator only.

Procedure for dual application pre-filing

17. **(1)** A filer submitting a pre-filing for a dual application should identify in the pre-filing the principal regulator, each passport jurisdiction for which the filer intends to give the notice referred to in paragraph 4C.5(1)(c) of Multilateral Instrument 11-102 *Passport System*, and Ontario.

(2) The filer should submit the pre-filing to the principal regulator and the OSC.

(3) The principal regulator will arrange with the OSC to discuss the pre-filing within 7 business days, or as soon as practicable after the pre-filing is submitted.

Disclosure in related application

18. The filer should include in the application that follows a pre-filing,

(a) a description of the subject matter of the pre-filing and the approach taken by the principal regulator, and

(b) any alternative approach proposed by a non-principal regulator that was involved in discussions and that disagreed with the principal regulator.

PART 5
TYPES OF APPLICATION PROCEDURES

The simplified procedure

19. The simplified procedure is available to a filer that is seeking an order for an issuer to cease to be a reporting issuer in each of the jurisdictions in Canada in which it is a reporting issuer and meets all of the following criteria:

(a) it is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets,*

(b) its outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide,

(c) its securities, including debt securities, are not traded in Canada or another country on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported, and

(d) it is not in default of securities legislation in any jurisdiction.

The modified procedure

20. (1) A reporting issuer that is incorporated or organized under the laws of a foreign jurisdiction may make an application under the modified procedure if it meets all of the following criteria:

(a) the issuer files continuous disclosure reports under U.S. securities laws and is listed on a U.S. exchange,

(b) the issuer is able to make a representation that residents of Canada do not:

(i) directly or indirectly beneficially own more than 2% of each class or series of outstanding securities (including debt securities) of the issuer worldwide, and

(ii) directly or indirectly comprise more than 2% of the total number of securityholders of the issuer worldwide,

(c) in the 12 months before applying for the order, the issuer has not taken any steps that indicate there is a market for its securities in Canada, including conducting a prospectus offering in Canada, establishing or maintaining a listing on an exchange in Canada or having its securities traded on a marketplace or any other facility in Canada for bringing together buyers and sellers where trading data is publicly reported.

If the issuer is unable to meet the above 12 month requirement because its securities have only recently been delisted from an exchange in Canada or have only recently been removed from trading on a marketplace or other facility in Canada for bringing together buyers and sellers where trading data is publicly reported, CSA staff may nevertheless be willing to recommend that an order be granted if the issuer is able to show that:

(i) prior to the delisting or the removal from trading, the issuer only attracted a *de minimis* number of Canadian investors, in particular, the daily average volume of trading of the issuer's securities in Canada during the 12 months prior to the delisting or the removal from trading was less than 2% of the worldwide daily average volume of trading of the issuer's securities during that 12 month period, and

(ii) the issuer did not take any other steps that indicate there is a market for its securities in Canada,

(d) the issuer provides advance notice to Canadian resident securityholders in a news release that it has applied for an order to cease to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer and, if that order is made, the issuer will no longer be a reporting issuer in any jurisdiction of Canada. If applicable, the news release should also disclose that some of the issuer's outstanding securities may be subject to resale restrictions. There should be sufficient time between the news release and the issuance of the order to provide securityholders with the opportunity to object to the order,

(e) the issuer undertakes to concurrently deliver to its Canadian securityholders, all disclosure the issuer would be required to deliver to U.S. resident securityholders under U.S. securities law or exchange requirements.

(2) The representation in paragraph (1)(b) should not be qualified or limited to the knowledge of the issuer, unless the issuer can fully demonstrate that it has made diligent enquiry to support the representation and why it cannot give an unqualified representation. CSA staff recognize that some issuers have difficulty making representations on the beneficial ownership of securities by residents of Canada. However, CSA staff will not generally recommend granting the order without the issuer satisfying the 2% test in paragraph (1)(b).

(3) A non-U.S. issuer incorporated or organized under the laws of a foreign jurisdiction can also seek an order under the modified procedure if the issuer

(a) is listed on a major foreign exchange and meets the 2% test described in paragraph (1)(b), and

(b) demonstrates that its Canadian securityholders will receive adequate continuous disclosure under the foreign securities law or exchange requirements.

Procedure for other applications

21. An issuer that does not meet the criteria in section 19 or 20 may make an application under this policy. In the application, the issuer should clearly explain why it does not meet the criteria in section 19 or 20, as applicable, and state the reasons and provide submissions as to why the principal regulator, and the OSC in the case of a dual application, should grant the order.

An example would be a situation where the issuer has completed a going-private transaction and would otherwise meet the criteria in section 19, but for the fact that it is in default of securities legislation as a result of failing to file financial statements that were due after the completion of the transaction.

However, it is important for filers to realize that unless the filer can identify a previous order that is directly on point, CSA staff will treat any application filed under this section as novel. Novel applications may take more time to consider and the filer may not get the desired result.

PART 6
FILING MATERIALS

Election to file under this policy and identification of principal regulator

22. **(1)** In its application, the filer should indicate whether it is filing a passport application or a dual application under this policy and identify the principal regulator for the application.

(2) A filer should file an application sufficiently in advance of any deadline to ensure that staff has a reasonable opportunity to complete the review and make recommendations for an order.

(3) A filer seeking an order in Québec should file a French language version of the draft order when the AMF is acting as principal regulator.

Materials to be filed with an application under the simplified procedure

23. **(1)** For a passport application under the simplified procedure, the filer should remit to the principal regulator the fees payable under the securities legislation of the principal regulator, and file the following materials with the principal regulator only:

(a) a written application, in the format of the sample application letter set out in Schedule 1, in which the filer:

(i) states that the application is being made under the simplified procedure,

(ii) states the basis for identifying the principal regulator under section 8 of this policy,

(iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,

(iv) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,

(v) sets out any request for confidentiality,

(vi) includes representations that confirm that the issuer meets each of the criteria in section 19, and

(vii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and

(b) a draft form of order, in the format set out in Annex A, with representations that confirm that the issuer meets the 4 criteria in section 19.

(2) For a dual application under the simplified procedure, the filer should remit the fees payable under the securities legislation of the principal regulator and the OSC to each of them, as appropriate, and file the following materials with both the principal regulator and the OSC:

(a) a written application, in the format of the sample application letter set out in Schedule 2, in which the filer:

(i) states that the application is being made under the simplified procedure,

(ii) states the basis for identifying the principal regulator under section 8 of this policy,

(iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,

(iv) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,

(v) sets out any request for confidentiality,

(vi) sets out any request to abridge the review period (see subsection 32(3) of this policy) or the opt-in period (see subsection 34(4) of this policy) and provides supporting reasons,

(vii) includes representations that confirm that the issuer meets each of the criteria in section 19, and

(viii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and

(b) a draft form of order, in the format set out in Annex B, with representations that confirm that the issuer meets the 4 criteria in section 19.

(3) If the issuer is in the process of completing a going-private transaction following which it will want an order that it has ceased to be a reporting issuer, the issuer may apply for relief using the simplified procedure prior to completing the transaction. The principal regulator cannot make an order until the transaction is complete and the issuer can represent that it has satisfied all the criteria for the simplified procedure.

(4) In circumstances where an issuer has exchanged its securities with another party (or that party's securityholders) in connection with a statutory arrangement or procedure, the issuer should consider whether any other party in the transaction will or has become a reporting issuer following the exchange. If so, the issuer should disclose in its application the name of that party and the jurisdictions in which that party will or has become a reporting issuer and provide a brief summary of the statutory arrangement or procedure and the parties involved.

Materials to be filed with an application under the modified procedure

24. (1) For a passport application under the modified procedure, the filer should remit to the principal regulator the fees payable under the securities legislation of the principal regulator, and file the following materials with the principal regulator only:

(a) a written application in which the filer:

(i) states that the application is being made under the modified procedure,

(ii) states the basis for identifying the principal regulator under section 8 of this policy,

(iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,

(iv) sets out, for any related pre-filing, the information referred to in section 18 of this policy,

(v) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,

(vi) sets out any request for confidentiality,

(vii) provides submissions on how the issuer meets each of the criteria in section 20,

(viii) provides submissions on how the issuer has dealt, or proposes to deal, with the resale issues set out in section 14 of this policy,

(ix) sets out references to previous orders of the principal regulator or other regulators that would support issuing the order, or indicates that the application is novel,

(x) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and

(xi) states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default,

(b) supporting materials, and

(c) a draft form of order, in the format set out in Annex C, with representations that explain how the issuer meets each of the criteria in section 20 and states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.

(2) For a dual application under the modified procedure, the filer should remit the fees payable under the securities legislation of the principal regulator and the OSC to each of them, as appropriate, and file the following materials with both the principal regulator and the OSC:

(a) a written application in which the filer:

(i) states that the application is being made under the modified procedure,

(ii) states the basis for identifying the principal regulator under section 8 of this policy,

(iii) identifies whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,

(iv) sets out, for any related pre-filing, the information referred to in section 18 of this policy,

(v) gives notice of the non-principal passport jurisdictions for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon,

(vi) sets out any request for confidentiality,

(vii) sets out any request to abridge the review period (see subsection 32(3) of this policy) or the opt-in period (see subsection 34(4) of this policy) and provides supporting reasons,

(viii) provides submissions on how the issuer meets each of the criteria in section 20,

(ix) provides submissions on how the issuer has dealt, or proposes to deal, with the resale issues set out in section 14 of this policy,

(x) sets out references to previous orders of the principal regulator or other regulators that would support issuing the order, or indicates that the application is novel,

(xi) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application, and

(xii) states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default,

(b) supporting materials, and

(c) a draft form of order, in the format set out in Annex D, with representations that explain how the issuer meets each of the criteria in section 20 and that states that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.

(3) The application filed under this section should describe what due diligence the filer has done to ascertain:

(a) the number of securities of the issuer (of each class or series) directly or indirectly beneficially owned by residents of Canada, and

(b) the number of securityholders of the issuer resident in Canada.

If an issuer has outstanding American Depositary Receipts (ADR), American Depositary Shares (ADS) or Global Depositary Receipts (GDR), the number of shares represented by ADR, ADS or GDR should be considered in the 2% test.

(4) The due diligence conducted by the issuer described in subsection (3) would normally include the following:

(a) where a registered holder of securities of the issuer is a depository or an intermediary located in Canada, procedures similar to the procedures set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* to obtain beneficial ownership information,

(b) where a registered holder of securities of the issuer is a depository or an intermediary located in a foreign jurisdiction, similar procedures set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* if it is reasonable to expect that the depository or intermediary may be holding securities of the issuer that are directly or beneficially owned by residents of Canada.

For example, if the securities of the issuer are traded in a foreign jurisdiction on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported, similar inquiries should be made of depositories or intermediaries in that jurisdiction if it is reasonable to expect that residents of Canada may have purchased securities of the issuer through that marketplace or facility.

Similarly, if securities of the issuer are held in a foreign jurisdiction by a foreign intermediary that is an affiliate of a Canadian intermediary, the foreign intermediary should be asked if it is holding securities of the issuer on behalf of residents of Canada.

Materials to be filed with other applications

25. An issuer described in section 21 of this policy should file the materials listed in section 24 of this policy. In its application, instead of providing submissions on how the issuer meets the criteria in the modified procedure, the issuer should provide submissions on why it does not meet the criteria in section 19 or 20 of this policy, as applicable, and state the reasons and provide submissions as to why regulators should grant the order.

Request for confidentiality

26. (1) A filer requesting that the regulators hold an application and supporting materials in confidence during the application review process should provide a substantive reason for the request in its application.

(2) CSA staff is unlikely to recommend that an order be held in confidence after its effective date. However, if a filer requests that the regulators hold the application, supporting materials, or order in confidence after its effective date, the filer should describe the request for confidentiality separately in its application, and pay any required fee:

(a) in the principal jurisdiction, if the filer is making a passport application, or

(b) in the principal jurisdiction and in Ontario, if the filer is making a dual application.

(3) Any request for confidentiality should explain why the request is reasonable in the circumstances and not prejudicial to the public interest and when any decision granting confidentiality would expire.

(4) Communications on requests for confidentiality will normally take place by e-mail. If a filer is concerned with this practice, the filer may request in the application that all communications take place by telephone.

Filing

27. **(1)** Except as set out in subsections (3) and (4), a filer should send the application materials in paper and in electronic format together with the fees to

(a) the principal regulator, in the case of a passport application, or

(b) the principal regulator and the OSC, in the case of a dual application.

(2) The filer should also provide an electronic copy of the application materials, including the draft order, by e-mail. For a dual application, filing the application concurrently with the principal regulator and the OSC will enable these regulators to process the application expeditiously.

(3) In British Columbia, an electronic filing system is available for filing and tracking applications. Filers should file an application in British Columbia using that system instead of e-mail.

(4) In Ontario, an electronic system is available for filing applications. Filers should file an application in Ontario using that system instead of e-mail.

(5) Filers should send pre-filing and application materials by e-mail (or through the electronic system in British Columbia and Ontario) using the relevant address or addresses listed below:

British Columbia	www.bcsc.bc.ca (click on *BCSC e-services* and follow the steps)
Alberta	legalapplications@asc.ca
Saskatchewan	exemptions@gov.sk.ca
Manitoba	exemptions.msc@gov.mb.ca
Ontario	www.osc.gov.on.ca/filings (follow the steps for submitting applications)
Québec	dispenses-passeport@lautorite.qc.ca
New Brunswick	passport-passeport@fcnb.ca
Nova Scotia	nsscexemptions@novascotia.ca

Incomplete or deficient material

28. If the filer's materials are deficient or incomplete, the principal regulator may ask the filer to file an amended application. This will likely delay the review of the application.

Acknowledgement of receipt of filing

29. After the principal regulator receives a complete application, the principal regulator will send the filer an acknowledgement of receipt of the application. For a dual application, the principal regulator will send a copy of the acknowledgement to the OSC. The acknowledgement will identify the name, phone number and e-mail address of the individual reviewing the application and, for a dual application, the end date of the review period identified in subsection 32(3) of this policy.

Withdrawal or abandonment of application

30. **(1)** If a filer decides to withdraw an application at any time during the process, the filer must notify the principal regulator and, for a dual application, the principal regulator and the OSC and provide an explanation of the withdrawal.

(2) If at any time during the review process, the principal regulator determines that a filer has abandoned an application, the principal regulator will notify the filer that it will mark the application as "abandoned". In that case, the principal regulator will close the file unless the filer provides acceptable reasons not to close the file in writing within 10 business days of the notification from the principal regulator. If the filer does not provide acceptable reasons, the principal regulator will notify the filer and for a dual application, the OSC, that the principal regulator has closed the file.

PART 7
REVIEW OF MATERIALS

Review of passport application

31. **(1)** The principal regulator will review a passport application in accordance with its securities legislation and securities directions and based on its review procedures, analysis and consideration of previous orders.

(2) The filer will deal only with the principal regulator, who will provide comments to and receive responses from the filer.

Review and processing of dual application

32. **(1)** The principal regulator will review a dual application in accordance with its securities legislation and securities directions, based on its review procedures, analysis and consideration of previous orders. The principal regulator will consider any comments from the OSC.

(2) The filer will generally deal only with the principal regulator, which will be responsible for providing comments to the filer once it has considered the comments from the OSC and completed its own review. However, in exceptional circumstances, the principal regulator may refer the filer to the OSC.

(3) The OSC will have 7 business days from receiving the acknowledgement referred to in section 29 of this policy to review the application. In exceptional circumstances, the principal regulator may abridge the review period if the filer filed the dual application concurrently with the OSC and shows that it is necessary and reasonable in the circumstances for the application to receive immediate attention.

(4) Unless the filer provides compelling reasons as to why it did not start the application process sooner, the principal regulator will not consider the following circumstances as exceptional:

(a) the recent closing of a take-over bid, plan of arrangement or similar transaction that resulted in the issuer being eligible to make an application,

(b) the upcoming deadline for the filing of a continuous disclosure document that would result in the issuer being in default of securities legislation if the order that the issuer has ceased to be a reporting issuer is not granted before that deadline,

(c) an upcoming date on which the issuer must have ceased to be a reporting issuer for legal, tax or business reasons, or

(d) other situations in which the deadline was known before filing the application and the filer could have filed the application earlier.

While staff will attempt to accommodate transaction timing where possible, filers planning time-sensitive transactions should build sufficient regulatory approval time into their transaction schedules.

The fact that a filer may consider an application as routine is not a compelling argument for requesting an abridgement.

(5) Filers should provide sufficient information in an application to enable staff to assess how quickly they should handle the application. For example, if the filer has committed to take certain steps by a specific date and needs to have staff's view or an order by that date, the filer should explain why staff's view or the order to cease to be a reporting issuer is required by the specific date and identify these time constraints in its application.

(6) In a dual application, the OSC will advise the principal regulator, before the expiration of the review period, of any substantive issues that would cause OSC staff to recommend that the order not be granted. The principal regulator may assume that the OSC does not have comments on the application if the principal regulator does not receive them within the review period.

PART 8
DECISION-MAKING PROCESS

Passport application

33. **(1)** After completing the review process and after considering the recommendation of its staff, the principal regulator will determine whether or not to grant the order a filer sought in a passport application.

(2) If the principal regulator is not prepared to grant the order based on the information before it, the principal regulator will notify the filer accordingly.

(3) If a filer receives a notice under subsection (2) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator.

Dual application

34. **(1)** After completing the review process and considering the recommendation of its staff, the principal regulator will determine whether or not to grant the order a filer sought in a dual application and immediately circulate its decision to the OSC.

(2) In a dual application, the OSC will have 5 business days from receipt of the principal regulator's order to confirm whether:

(a) it has made the same decision as the principal regulator and is opting into the order, or

(b) it will not be making the same decision as the principal regulator.

(3) If the OSC is silent, the principal regulator will consider that the OSC will not be making the same decision as the principal regulator.

(4) If the filer shows that it is necessary and reasonable in the circumstances, the principal regulator may request, but cannot require, the OSC to abridge the opt-in period. In some circumstances, abridging the opt-in period may not be feasible. For example, only a panel of the OSC that convenes according to a schedule can make some types of decisions.

(5) The principal regulator will not send the filer an order for a dual application until receipt from the OSC of the confirmation referred to in paragraph (2)(a). If the OSC does not provide the confirmation, the principal regulator will advise the filer that it will not be receiving an order from the principal regulator or the OSC.

(6) If the principal regulator is not prepared to grant the order based on the information before it, it will notify the filer and the OSC.

(7) If a filer receives a notice under subsection (6) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator. The principal regulator may hold a hearing on its own, or jointly or concurrently with the OSC.

PART 9
ORDER

Effect of order made under passport application

35. **(1)** Under a passport application, the order of the principal regulator that an issuer has ceased to be a reporting issuer is the decision of the principal regulator. Under subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System*, an issuer is deemed to cease to be a reporting issuer in all notified passport jurisdictions as a result of the order of the principal regulator for the application.

(2) The order is effective in each notified passport jurisdiction on the date of the principal regulator's order (even if the regulator in the notified passport jurisdiction is closed on that date).

Effect of order made under dual application

36. Under a dual application, the order of the principal regulator that an issuer has ceased to be a reporting issuer is the decision of the principal regulator. Under subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System*, an

issuer is deemed to cease to be a reporting issuer in all notified passport jurisdictions as a result of the order of the principal regulator for the application. The order of the principal regulator under a dual application also evidences the OSC's decision, if the OSC provided the confirmation referred to in paragraph 34(2)(a) of this policy.

Listing non-principal jurisdictions

37. **(1)** For convenience, the order of the principal regulator on a passport application or a dual application will refer to the notified passport jurisdictions, but it is the filer's responsibility to ensure that it gives the required notice for each jurisdiction for which section 4C.5 of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon. A filer must give the notice for each jurisdiction of Canada in which the issuer is a reporting issuer.

(2) The order of the principal regulator on a dual application will contain wording that makes it clear that the order evidences and sets out the decision of the OSC.

Form of order

38. An order under this policy will be in the form set out in one of the following:

(a) Annex A, *Form of order for a passport application under the simplified procedure*,

(b) Annex B, *Form of order for a dual application under the simplified procedure*,

(c) Annex C, *Form of order for a passport application under the modified procedure*,

(d) Annex D, *Form of order for a dual application under the modified procedure*,

(e) Annex E, *Form of order for a passport application for other applications*, or

(f) Annex F, *Form of order for a dual application for other applications*.

Issuance of order

39. For a dual application, the principal regulator will send the order to the filer and to the OSC.

PART 10
TRANSITION AND EFFECTIVE DATE

Transition

40. **(1)** The coordinated review process set out in National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before June 23, 2016.

(2) The coordinated review process set out under the heading "The Simplified Procedure" in CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* will continue to apply to an application for an order that an issuer has ceased to be a reporting issuer filed under that process in multiple jurisdictions before June 23, 2016.

Effective date

41. This policy comes into effect on June 23, 2016.

Annex A
Form of order for a passport application under the simplified procedure

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] (the Jurisdiction)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer* (the Filer)]

Order

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

(a) the [*name of the principal regulator*] is the principal regulator for this application, and

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*].

Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
(*Name of principal regulator*)
(*justify signature block*)

Annex B
Form of order for a dual application under the simplified procedure

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] and Ontario (the Jurisdictions)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer* (the Filer)]

Order

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

(a) the [*name of the principal regulator*] is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*], and

(c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
(*Name of principal regulator*)
(*justify signature block*)

Annex C
Form of order for a passport application under the modified procedure

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] (the Jurisdiction)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer* (the Filer)

Order

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

(a) the [*name of the principal regulator*] is the principal regulator for this application, and

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*].

Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

[*Add additional definitions here*.]

Representations

This order is based on the following facts represented by the Filer:

1. [*Insert material representations necessary to explain how the Filer meets the modified procedure criteria and why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application.*]

2. [*State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.*]

Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
Name of principal regulator)
(*justify signature block*)

Annex D
Form of order for a dual application under the modified procedure

[Citation: [*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] and Ontario (the Jurisdictions)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer*] (the Filer)

Order

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

(a) the [*name of the principal regulator*] is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*], and

(c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*[,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

[*Add additional definitions here*.]

Representations

This order is based on the following facts represented by the Filer:

1. [*Insert material representations necessary to explain how the Filer meets the modified procedure criteria and why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application.*]

2. [*State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.*]

Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
(*Name of principal regulator*)
(*justify signature block*)

Annex E
Form of order for a passport application for other applications

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] (the Jurisdiction)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer*] (the Filer)

Order

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

(a) the [*name of the principal regulator*] is the principal regulator for this application, and

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*].

Interpretation

Terms defined in National Instrument 14-101 *Definitions* [,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

[*Add additional definitions here*.]

Representations

This order is based on the following facts represented by the Filer:

1. [*Insert material representations necessary to explain why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application.*]

2. [*State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default.*]

Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
(*Name of principal regulator*)
(*justify signature block*)

Annex F
Form of order for a dual application for other applications

[Citation:[*neutral citation*] [*Date of order*]]

In the Matter of
the Securities Legislation of
[*name of principal jurisdiction*] and Ontario (the Jurisdictions)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
[*name of issuer*] (the Filer)

Order

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

(a) the [*name of the principal regulator*] is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [*names of all non-principal passport jurisdictions where the Filer is a reporting issuer*], and

(c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* [,] [and] MI 11-102 [and, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator)] have the same meaning if used in this order, unless otherwise defined.

[*Add additional definitions here*.]

Representations

This order is based on the following facts represented by the Filer:

1. [*Insert material representations necessary to explain why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the Filer used to identify the principal regulator for the application*.]

2. [*State that the issuer is not in default of securities legislation in any jurisdiction or if the issuer is in default, the nature of the default*.]

Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

_____
(*Name of signatory for the principal regulator*)

_____
(*Title*)

_____
(*Name of principal regulator*)
(*justify signature block*)

Schedule 1
Example of an Application Letter under the Simplified Procedure for a Passport Application

[Enter date]

[Name of the principal regulator]

Dear Sir/Madam:

Re: [Enter name of issuer] (the Filer) – passport application for an order under the securities legislation of [name of principal jurisdiction] that the Filer has ceased to be a reporting issuer

We are applying under the simplified procedure to the [identify principal regulator] as principal regulator for an order under the securities legislation (the Legislation) of [name of principal jurisdiction] that the Filer has ceased to be a reporting issuer (the Order Sought).

We identify [name of regulator] as the principal regulator for the application on the basis of [name the applicable criteria] under section 8 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206).

In accordance with subsection 4C.5(2) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) and in satisfaction of the notice requirement in paragraph 4C.5(1)(c) of MI 11-102, the Filer provides notice to the securities regulatory authority or regulator in [list the non-principal jurisdictions where the Filer is a reporting issuer] that subsection 4C.5(1) of MI 11-102 is intended to be relied upon for the Order Sought.

Under the simplified procedure in NP 11-206, the Filer represents that:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

[If applicable, set out any request for confidentiality and/or requests to abridge the review period or the opt-in period and provide supporting reasons.]

[Identify whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application.]

[Enter name of Filer]

[Signature of the person who has signing authority]

[Include a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application.]

Schedule 2
Example of an Application Letter under the Simplified Procedure for a Dual Application

[Enter date]

[List name of the principal regulator and the Ontario Securities Commission]

Dear Sir/Madam:

Re: [Enter name of issuer] (the Filer) – dual application for an order under the securities legislation of [name of principal jurisdiction] and Ontario that the Filer has ceased to be a reporting issuer

We are applying under the simplified procedure to the [identify principal regulator] as principal regulator and the Ontario Securities Commission for an order under the securities legislation (the Legislation) of [name of principal jurisdiction] and Ontario that the Filer has ceased to be a reporting issuer (the Order Sought).

We identify [name of regulator] as the principal regulator for the application on the basis of [name the applicable criteria] under section 8 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206).

In accordance with subsection 4C.5(2) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) and in satisfaction of the notice requirement in paragraph 4C.5(1)(c) of MI 11-102, the Filer provides notice to the securities regulatory authority or regulator in [list the non-principal jurisdictions where the Filer is a reporting issuer] that subsection 4C.5(1) of MI 11-102 is intended to be relied upon for the Order Sought.

Under the simplified procedure in NP 11-206, the Filer represents that:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

[If applicable, set out any request for confidentiality and/or requests to abridge the review period or the opt-in period and provide supporting reasons.]

[Identify whether another related application has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application.]

[Enter name of Filer]

[Signature of the person who has signing authority]

[Include a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application.]

ANNEX G

National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*

PART 1
INTRODUCTION

Scope of this policy

1. Reporting issuers are subject to continuous disclosure requirements under securities legislation so that there is information in the marketplace to enable investors and prospective investors to make an informed investment decision. The integrity and fairness, or confidence in the integrity and fairness, of the capital markets may be compromised if trading in securities of a reporting issuer is permitted to continue when the reporting issuer is not in compliance with the continuous disclosure requirements.

This policy provides guidance to issuers, investors and other market participants regarding how the Canadian Securities Administrators (CSA or we) will generally respond to certain types of continuous disclosure defaults by a reporting issuer, referred to as specified defaults in this policy.[1]

This policy also explains why we issue a failure-to-file cease trade order in response to a specified default. Beginning in part 4, this policy also explains how a failure-to-file cease trade order has effect in multiple jurisdictions due to the operation of:

- Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*, in those CSA jurisdictions that have adopted it, or
- A statutory reciprocal order provision as defined in section 3.

This policy also explains what a reporting issuer should do to apply for a full or partial revocation (including a variation) of a failure–to-file cease trade order.

Any CSA jurisdiction that has adopted Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* or has a statutory reciprocal order provision will apply the operational processes set out in this policy.

Although Ontario has not adopted Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions,* this policy describes an interface process ("dual" regime) to facilitate the reciprocation in Ontario of failure-to-file cease trade orders issued and revoked by other CSA regulators.

This policy applies to a reporting issuer and, where the context permits, to a securityholder or other party.

Cease trade orders outside of the scope of this policy

2. The following cease trade orders for continuous disclosure defaults are not covered by the definition of failure-to-file cease trade order in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*:

(a) a cease trade order issued in respect of a failure to file deficiency that is not a specified default;[2]

(b) a cease trade order issued where a reporting issuer has made a required filing but the required filing is deficient in terms of content (a content deficiency);[3]

(c) a management cease trade order as defined in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*;

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1 The term "specified default" is defined in section 3 of this policy and is based on the harmonized list of deficiencies developed by the CSA and described in CSA Notice 51-322 *Reporting Issuer Defaults.*

2 The definition of "specified default" does not include certain failure to file deficiencies described in section 1 of CSA Notice 51-322 *Reporting Issuer Defaults*, such as a failure to file a material change report or a failure to file technical disclosure or other reports required by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* or National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities.* We have omitted these items from the definition because these filings will generally be non-periodic in nature and in some cases it may be unclear whether a filing requirement has been triggered.

3 Examples of content deficiencies are set out in section 2 of CSA Notice 51-322 *Reporting Issuer Defaults.*

(d) a cease trade order issued in respect of an issuer that is only a reporting issuer in one jurisdiction;[4]

(e) a cease trade order issued prior to the effective date of Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*.

Cease trade orders that do not meet the definition of failure-to-file cease trade order, and as such do not automatically take effect in each MI 11-103 jurisdiction where the issuer is a reporting issuer, will generally be issued by the CSA regulators following principles of mutual reliance. Once the principal regulator, as this term is defined in section 3, issues a cease trade order, each other CSA regulator in a jurisdiction where the issuer is a reporting issuer will then decide whether to issue a similar order in its jurisdiction.[5]

The application process for a revocation of a cease trade order that does not meet the definition of failure-to-file cease trade order in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*, is described in National Policy 12-202 *Revocations of Certain Cease Trade Orders.*

PART 2
DEFINITIONS AND INTERPRETATION

Definitions

3. In this policy:

"cease trade order" means an order under a provision of Canadian securities legislation, set out in Annex A, that one or more persons or companies must not trade in securities of a reporting issuer, whether directly or indirectly;

"CSA regulator" means a securities regulatory authority or a regulator, as applicable;

"dual application" means an application described in section 22;

"dual failure-to-file cease trade order" means an order described in section 14;

"failure-to-file cease trade order" has the same meaning as in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*;

"filer" means the person or company filing an application to revoke or partially revoke a failure-to-file cease trade order;

"management cease trade order" has the same meaning as in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*;

"MD&A" has the same meaning as in National Instrument 51-102 *Continuous Disclosure Obligations;*

"MI 11-103 jurisdiction" means the jurisdiction of a CSA regulator that has adopted Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*;

"MRFP" means a management report of fund performance as defined in National Instrument 81-106 *Investment Fund Continuous Disclosure;*

"non-principal regulator" means, for a person or company, the CSA regulator of a jurisdiction other than the principal jurisdiction;

"OSC" means the regulator in Ontario;

"OTC reporting issuer" has the same meaning as in Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-The-Counter Markets*;

"partial revocation order" means an order that permits one or more persons or companies to conduct specific trades when a failure-to-file cease trade order is in effect, and includes a variation of the failure-to-file cease trade order;

"principal jurisdiction" means, for a person or company, the jurisdiction of the principal regulator;

[4] A local CSA regulator will generally apply the same principles and considerations as set out in this policy when issuing a local cease trade order.

[5] These cease trade orders would be automatically reciprocated in jurisdictions that have a statutory reciprocal order provision.

"principal regulator" means the regulator described in section 13;

"revocation order" means either a partial revocation order or an order fully revoking a failure-to-file cease trade order;

"SEDAR" means System for Electronic Document Analysis and Retrieval;

"SEDI" means System for Electronic Disclosure by Insiders;

"specified default" has the same meaning as in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*;

"statutory reciprocal order provision" means a provision in the securities statute of a jurisdiction, set out in Annex C, that provides for the automatic reciprocation of any order imposing sanctions, conditions, restrictions or requirements issued by another CSA regulator based on a finding or admission of a contravention of securities legislation;

"venture issuer" has the same meaning as in National Instrument 51-102 *Continuous Disclosure Obligations*.

Further definitions

4. Terms used in this policy that are defined in National Instrument 14-101 *Definitions* have the same meaning as in that instrument.

Interpretation

5. **(1)** In certain jurisdictions, the CSA regulator may issue a failure-to-file cease trade order that prohibits trading in, and the acquisition or purchase of, securities of a reporting issuer. In these jurisdictions, references in this policy to a "trade" refer to a trade in, acquisition of, or purchase of securities of the reporting issuer, as applicable.

(2) In Québec, "trade" is not defined in the *Securities Act* (Québec). Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* covers any activity in respect of a transaction in securities that may be the object of a failure-to file cease trade order issued under paragraph 3 of section 265 of the *Securities Act* (Québec).

PART 3
OVERVIEW AND IMPLICATIONS OF CEASE TRADE ORDERS ISSUED FOR CONTINUOUS DISCLOSURE DEFAULTS

DIVISION 1 OVERVIEW

Possible regulatory responses to a specified default

6. In the jurisdictions where the issuer is a reporting issuer, the CSA regulators will generally respond to a specified default by noting the issuer in default on their default lists. For more information about the CSA default lists, refer to CSA Notice 51-322 *Reporting Issuer Defaults*.

The CSA regulators will then generally respond to a specified default in one of two ways:

(a) by issuing a failure-to-file cease trade order;

(b) if an issuer applies under National Policy 12-203 *Management Cease Trade Orders*, and demonstrates that it is able to comply with that policy, by issuing a management cease trade order.

If the outstanding filing is expected to be filed relatively quickly, the default is not expected to be recurring and the issuer meets the eligibility criteria, a management cease trade order may be an appropriate response to the default.

While we recognize that issuers may sometimes face difficulties in complying with filing deadlines due to circumstances beyond their control, we do not believe it is appropriate to vary a filing deadline simply to allow an issuer to avoid being in default. The CSA regulators will consider the issuer's circumstances in deciding what action, if any, is appropriate to respond to a default. Once an issuer is in default, a failure-to-file cease trade order may be issued by the CSA regulator at any time.

Reasons for issuing a failure-to-file cease trade order in response to a specified default

7. In the event of a specified default, the CSA regulators generally respond by issuing a failure-to-file cease trade order. Some of the reasons for issuing a failure-to-file cease trade order are listed below.

(a) Investors and prospective investors should be able to make an informed investment decision about the securities of the defaulting reporting issuer. This ability may be compromised if certain disclosures have not been made when required.

(b) The integrity and fairness, or confidence in the integrity and fairness, of the capital markets may be compromised if trading in securities of the reporting issuer is permitted to continue during the period of default (when there is heightened potential that some people may have access to information that would normally be reflected in the continuous disclosure document that the reporting issuer is in default of filing).

(c) The practice of responding to a specified default with a failure-to-file cease trade order has a significant positive effect on general compliance. The prospect of a cease trade order creates a strong incentive for the reporting issuer's management to avoid a specified default. Similarly, the issuance of a cease trade order once the issuer is in default creates a strong incentive on the part of management to diligently rectify the specified default.

(d) A failure-to-file cease trade order represents a rapid, public response by the CSA regulators to a specified default by a reporting issuer. This sends a message to issuers and investors that filing deadlines are important and that there will be serious consequences for a specified default, helping to preserve integrity and fairness in the securities marketplace.

We acknowledge that a failure-to-file cease trade order can impose a burden on issuers and investors because existing investors may be unable to sell their securities and prospective investors are unable to purchase securities of the issuer while the cease trade order remains in effect. In addition, issuers are generally unable to access financing while the cease trade order remains in effect. Nevertheless, if a specified default occurs, the issuance of a failure-to-file cease trade order addresses our overriding concern of investor protection.

Enforcement action

8. If a reporting issuer is in default of a continuous disclosure requirement, CSA regulators may also consider taking enforcement action against the reporting issuer, the directors and officers of the reporting issuer, or any other responsible party. Nothing in this policy should be interpreted as limiting the discretion of the CSA regulators in responding to such a default through enforcement action.

Insider trading

9. The guidelines below should be considered if a reporting issuer is in default or reasonably anticipates that a specified default or a default of another continuous disclosure requirement will occur, and a cease trade order has not yet been issued in respect of the issuer.

(a) We expect an issuer to monitor and restrict trading by a director, officer and other insider of the issuer due to the increased risk that these individuals may have access to material undisclosed information. This may include information that would otherwise have been reflected in the continuous disclosure filing in respect of which the issuer is or reasonably anticipates being in default, information about any investigation into the events that may have led to the default or anticipated default, and information about the status of remediation activities.

(b) Management and other insiders of the issuer should consider the insider trading prohibitions under securities legislation before entering into any transaction involving securities of the issuer that is or reasonably anticipates being in default.

Refer to National Policy 51-201 *Disclosure Standards* for guidance regarding disclosure, the maintenance of confidential information, and the application of insider trading laws.

(c) We also remind issuers and other market participants that an officer or other insider of a reporting issuer in default will generally be unable to sell securities acquired from the issuer on a prospectus exempt basis because of the resale restrictions in subsections 2.5(2)7 and 2.6(3)5 of National Instrument 45-102 *Resale of Securities* which require that a selling security holder have no reasonable grounds to believe that the issuer is in default of securities legislation.

DIVISION 2 OTHER IMPLICATIONS OF A CEASE TRADE ORDER

Effect of a cease trade order in a jurisdiction where an issuer is not a reporting issuer

10. Although a trade in a jurisdiction where an issuer is not a reporting issuer may not violate a cease trade order in another jurisdiction, the trading activity may still be contrary to the public interest and therefore subject to enforcement or other administrative proceedings. Market participants in a jurisdiction in which an issuer is not a reporting issuer should be cautious about trading in a security if a CSA regulator in another jurisdiction has issued a cease trade order. Continuous disclosure obligations reflect the minimum requirements we think are necessary to generate sufficient public disclosure to permit investors to make informed investment decisions. The issuance of a cease trade order by a CSA regulator will generally mean that an issuer has not met the required standard and that there is significant risk of harm to investors if trading is allowed to continue. Accordingly, market participants should carefully consider the existence of the continuous disclosure default, and the determination of the principal regulator, before effecting a trade in a jurisdiction where the issuer is not reporting.

In a jurisdiction that has a statutory reciprocal order provision, a cease trade order issued by another CSA regulator will have effect in this jurisdiction even where the issuer is not a reporting issuer.

Effect of a cease trade order in a foreign jurisdiction

11. If a market participant intends to execute a trade in securities of a cease-traded issuer on an exchange or marketplace outside of Canada, the market participant should consider whether the trade may be considered to be a trade in one or more jurisdictions in Canada where either the cease trade order is in effect or trading is prohibited or restricted under Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* or a statutory reciprocal order provision. For example, a transaction may be a trade in a jurisdiction if "acts in furtherance of the trade" occur within that jurisdiction. A transaction may also be a trade in a jurisdiction if there are connecting factors or other facts and circumstances that indicate that the securities may not "come to rest" outside Canada but may be resold to investors in a jurisdiction where a cease trade order is in effect or trading is prohibited under Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* or a statutory reciprocal order provision. The conditions of each cease trade order should be carefully considered.

Effect of a cease trade order on market participants subject to Investment Industry Regulatory Organization of Canada regulation

12. Presently, all marketplaces (including exchanges, alternative trading systems and quotation and trade reporting systems) in Canada have retained Investment Industry Regulatory Organization of Canada (IIROC) as their regulation services provider. Under the Universal Market Integrity Rules (UMIR), which have been adopted by IIROC, if a CSA regulator issues a cease trade order with respect to an issuer whose securities are traded on a marketplace, IIROC imposes a regulatory halt on trading of those securities on all marketplaces for which IIROC acts as the regulation services provider. Once the halt is imposed by IIROC, no person subject to the UMIR may trade those securities on any marketplace in Canada, over-the-counter or on a foreign organized regulated market, subject to any conditions set out in the cease trade order.

PART 4
ISSUANCE OF A FAILURE-TO-FILE CEASE TRADE ORDER

DIVISION 1 OVERVIEW

Principal regulator

13. Under section 2 of Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*, if a CSA regulator issues a failure-to-file cease trade order in respect of a reporting issuer's securities, a person or company must not trade in a security of the issuer in any MI 11-103 jurisdiction where the issuer is a reporting issuer, except in accordance with any conditions of the order, including any variation or partial revocation of it. The effect is the same in jurisdictions that have a statutory reciprocal order provision, except that a failure-to-file cease trade order issued by another CSA regulator will have effect in these jurisdictions even where the issuer is not a reporting issuer.

In most cases, the CSA regulator that will issue a failure-to-file cease trade order will be the reporting issuer's principal regulator, that is, the one selected by the issuer at the time that it becomes a reporting issuer and that it identified on its SEDAR profile. For the purposes of this policy, we will refer to the CSA regulator that issues the failure-to-file cease trade order as the principal regulator.

Dual failure-to-file cease trade order

14. A dual failure-to-file cease trade order is a failure-to-file cease trade order issued in respect of an issuer by its principal regulator where the principal regulator is a CSA regulator other than the OSC, the issuer is a reporting issuer in Ontario and the OSC, as a non-principal regulator, confirms that it is opting into the failure-to-file cease trade order.

DIVISION 2 DECISION-MAKING PROCESS

Issuance of failure-to-file cease trade orders

15. After considering the recommendation of its staff, the principal regulator will determine whether or not to issue a failure-to-file cease trade order.

Dual failure-to-file cease trade orders

16. **(1)** After considering the recommendation of its staff, the principal regulator will determine whether or not to issue the failure-to-file cease trade order. If the principal regulator decides to issue the failure-to-file cease trade order, it will circulate its order to the OSC before 12:00 pm (noon) local time in the jurisdiction of the principal regulator.

(2) The OSC, on the same business day that it receives the principal regulator's order, will confirm whether

(a) it has made the same decision as the principal regulator and is opting into the order, or

(b) it will opt out and not make the same decision as the principal regulator.

(3) If the OSC elects to opt out, it will notify the principal regulator and give its reasons for opting out.

(4) If the OSC does not provide a response before the expiry of the opt-in period referred to in subsection (2), the principal regulator will consider that the OSC has opted out.

(5) The principal regulator generally will not issue the dual failure-to-file cease trade order before the earlier of

(a) the expiry of the opt-in period referred to in subsection (2), and

(b) receipt from the OSC of the confirmation referred to in subsection (2).

(6) If the OSC does not opt into or is considered to have opted out of the principal regulator's order as set out in subsections (3) and (4), the principal regulator will issue a failure-to-file cease trade order.

DIVISION 3 EFFECT OF A FAILURE-TO-FILE CEASE TRADE ORDER

Effect of a failure-to-file cease trade order

17. Once the principal regulator issues a failure-to-file cease trade order, the effect under section 2 of Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders*, in each MI 11-103 jurisdiction where the issuer is a reporting issuer, is that a person or company must not trade in a security of the issuer, except in accordance with the conditions, if any, contained in the order. The conditions of a failure-to-file cease trade order may include a variation or partial revocation.

The effect is the same in each jurisdiction that has a statutory reciprocal order provision, except that the failure-to-file cease trade order will have effect in these jurisdictions even where the issuer is not a reporting issuer.

Effect of a dual failure-to-file cease trade order

18. Once the principal regulator issues a dual failure-to-file cease trade order, the effect under section 2 of Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders*, in each MI 11-103 jurisdiction where the issuer is a reporting issuer, is that a person or company must not trade in a security of the issuer, except in accordance with the conditions, if any, contained in the order. The conditions of a failure-to-file cease trade order may include a variation or partial revocation. The order of the principal regulator also evidences the OSC's decision. As a result, trading in the securities that are subject to the failure-to-file cease trade order is also prohibited in Ontario.

The effect is the same in each jurisdiction that has a statutory reciprocal order provision, except that the dual failure-to-file cease trade order will have effect in these jurisdictions even where the issuer is not a reporting issuer.

Transmission of failure-to-file cease trade orders

19. **(1)** The principal regulator will send the failure-to-file cease trade order to the reporting issuer.

(2) The principal regulator will send the OSC a copy of the dual failure-to-file cease trade order.

PART 5
REVOCATION OF A FAILURE-TO-FILE CEASE TRADE ORDER

DIVISION 1 INITIATING THE REVOCATION PROCESS

Full revocation

20. The way an issuer initiates the process to obtain a full revocation of a failure-to-file cease trade order depends on how long the failure-to-file cease trade order has been in effect.

(a) In the case of a failure-to-file cease trade order that has been in effect for 90 days or less, the filing of the required continuous disclosure documents initiates the review process by the principal regulator for a revocation of the failure-to-file cease trade order. We will not require an issuer to make an application in this circumstance.[6]

(b) In the case of a failure-to-file cease trade order that has been in effect for more than 90 days, the issuer should make an application as set out in section 33.

Partial revocation

21. An issuer seeking a partial revocation order should meet the revocation qualification criteria under Division 3 and make an application as set out in section 34.

Dual application

22. An issuer whose principal regulator is a CSA regulator other than the OSC and that is also a reporting issuer in Ontario will make an application to both its principal regulator and to the OSC.

Principal regulator

23. The principal regulator for a revocation order is the CSA regulator that issued the failure-to-file cease trade order.

DIVISION 2 FULL REVOCATION QUALIFICATION CRITERIA AND CONSIDERATIONS

Filing outstanding continuous disclosure for a full revocation

24. **(1)** We will generally not exercise our discretion to revoke a failure-to-file cease trade order that has been in effect for 90 days or less, unless the issuer has filed all of the outstanding continuous disclosure documents specified in the failure-to-file cease trade order, and any annual or interim financial statements, MD&A or MRFP, and certification of filings, that subsequently became due.[7]

(2) We will generally not exercise our discretion to revoke a failure-to-file cease trade order that has been in effect for more than 90 days, subject to sections 25 and 26, unless the issuer has filed all of its outstanding continuous disclosure.

Exceptions to interim filing requirements

25. In exercising their discretion to revoke a failure-to-file cease trade order that has been in effect for more than 90 days, the principal regulator or, for a dual application, the principal regulator and the OSC, may elect not to require the issuer

[6] In the jurisdictions where an application is required by law to obtain a revocation order, the filing of the outstanding documents referred to in the failure-to-file cease trade order will be deemed to be the application, or the dual application, as the case may be.

[7] Before we revoke a failure-to-file cease trade order for an OTC reporting issuer, we may require the issuer to file additional documents, including those required under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.

to file certain outstanding interim financial reports, interim MD&A, interim MRFP, or interim certificates under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, subject to section 24, if the issuer has filed all of the following:

(a) audited annual financial statements, annual MD&A, annual MRFP, and annual certificates, required to be filed under applicable securities legislation;

(b) annual information forms, information circulars and material change reports required to be filed under applicable securities legislation;

(c) for all interim periods in the current fiscal year, interim financial reports (which include the applicable comparatives from the prior fiscal year), interim MD&A, interim MRFP, and interim certificates, required to be filed under applicable securities legislation.

Exceptions to annual filing requirements

26. In certain cases, an issuer seeking to revoke a failure-to-file cease trade order that has been in effect for more than 90 days may consider that the length of time that has elapsed since the date of the failure-to-file cease trade order makes the preparation and filing of all outstanding disclosure impractical or of limited use to investors. This may particularly apply to disclosure for periods that ended more than 3 years before the date of the application for a non-venture issuer or more than 2 years before the date of the application for a venture issuer, or for periods prior to a significant change in the issuer's business. An issuer seeking a full revocation order in these circumstances should make detailed submissions explaining its position. In appropriate cases, the principal regulator or, for a dual application, the principal regulator and the OSC, will consider whether the filing of certain outstanding disclosure may be unnecessary as a condition of a full revocation order. The factors that we may consider include one or more of the following:

(a) the age of information to be contained in the continuous disclosure filing: information from older periods may be less relevant than information from more recent periods;

(b) whether there is access to records of the issuer: lack of access to records may hinder compliance with some filing requirements;

(c) whether the issuer conducted activity during the period: if an issuer was inactive or changed its business at any time while it was cease-traded, disclosure of information from or prior to this time may be less relevant;

(d) the length of time the failure-to-file cease trade order has been in effect;

(e) whether the historical disclosure relates to significant transactions or litigation.

We generally consider that disclosure for periods within the most recent 3 financial years for a non-venture issuer, or the most recent 2 financial years for a venture issuer, provides useful information for investors. We generally do not consider the time and cost required to prepare disclosure to be a compelling factor in the determination of the disclosure to be provided in connection with an application to revoke a failure-to-file cease trade order.

Outstanding fees

27. Before a full revocation order is issued, the issuer should pay all outstanding fees to each CSA regulator in whose jurisdiction it is a reporting issuer. Outstanding fees generally include, where applicable, all activity and participation fees, and late filing fees.

Depending on how long the failure-to-file cease trade order has been in effect, and whether the issuer filed its continuous disclosure documents in a timely manner while it was cease-traded, the amount of outstanding fees can be considerable. Before submitting an application, an issuer should contact each relevant CSA regulator to confirm the fees that will be payable.

Annual meeting

28. An issuer should ensure that it has complied with the requirement in applicable corporate or similar governing legislation or any equivalent requirement in its constating documents to hold an annual meeting of securityholders. If the issuer has not complied with the annual meeting requirement, the CSA regulator will generally not exercise its discretion to issue a full revocation order unless the issuer provides an undertaking to hold an annual meeting within 3 months after the date on which the failure-to-file cease trade order is revoked.

An undertaking does not relieve the issuer from any requirement to hold an annual meeting requirement.

News release

29. If the issuance of an order revoking a failure-to-file cease trade order or the circumstances giving rise to the issuer seeking the revocation order are a "material change", the issuer is required by Canadian securities legislation to issue and file a news release and material change report. For example, if the issuer has ceased to carry on an active business, or its business purpose has been abandoned, the circumstances giving rise to the issuer seeking the revocation order may be a "material change". If so, the news release and material change report should disclose that the issuer has ceased to carry on an active business or that its business purpose has been abandoned, and should disclose the issuer's future business plans or that the issuer has no future business plans.

Even if there is no material change, the issuer should consider issuing a news release that announces the revocation order.

DIVISION 3 PARTIAL REVOCATION QUALIFICATION CRITERIA AND CONSIDERATIONS

Permitted transactions

30. We will consider granting a partial revocation order to permit certain transactions involving trades in securities of the issuer, such as a private placement to raise sufficient funds to prepare and file outstanding continuous disclosure documents or a shares-for-debt transaction to allow the issuer to recapitalize. We will generally not exercise our discretion to grant a partial revocation order unless the issuer intends to subsequently apply for a full revocation order and reasonably anticipates having sufficient resources after the proposed transaction to bring its continuous disclosure and fees up to date.

Other circumstances may arise that warrant a partial revocation order. For example, we will generally consider granting a partial revocation order to permit a securityholder to sell securities for a nominal amount solely to establish a tax loss, or if the issuer is winding up or in the context of insolvency. It may be possible to establish a loss for tax purposes without disposing of the securities. Securityholders may want to consult the *Income Tax Act* before applying for a partial revocation order.

Issuers may wish to consult their legal counsel to determine whether a particular transaction constitutes a trade and therefore requires an application for a partial revocation order. For example, in most jurisdictions of Canada, a disposition of securities by way of a bona fide gift, made in good faith and not as part of a plan or scheme to evade requirements of securities legislation, would generally not be considered a "trade" under securities legislation. As such, a partial revocation order would not typically be required in these circumstances. However, after the gift, the securities will generally remain subject to the cease trade order.

Acts in furtherance of a trade

31. The definition of trade, where applicable, includes acts in furtherance of a trade. In any particular case, it is a question of legal interpretation whether a step taken by an issuer or other party is an act in furtherance of a trade, and therefore a breach of the failure-to-file cease trade order. If securities have been issued in breach of a cease trade order, we will consider whether enforcement action is appropriate. Issuers should consult their legal counsel whenever there is doubt as to whether a proposed action would be an act in furtherance of a trade. We generally expect an issuer to obtain a partial revocation order before carrying out an act in furtherance of a trade. For example, we expect an issuer or other party intending to conduct a trade to obtain a partial revocation order before entering into an agreement to transfer securities and before publicly disclosing an intended transaction in securities.

Continuing effect of failure-to-file cease trade order

32. Following the completion of a trade permitted by a partial revocation order, all securities of the issuer remain subject to the failure-to-file cease trade order until a full revocation is granted, depending on the terms of the failure-to-file cease trade order.

DIVISION 4 FILING MATERIALS FOR A REVOCATION APPLICATION

Materials to be filed with an application for a full revocation of a failure-to-file cease trade order that has been in effect for more than 90 days

33. (1) To make an application to fully revoke a failure-to-file cease trade order that has been in effect for more than 90 days, a filer should remit the fees payable, where applicable, under the securities legislation of the principal regulator, as set out in Annex B. The application should include all of the following information:

(a) details of any revocation applications currently in progress in the other jurisdictions;

(b) a copy of any draft material change report or news release as discussed in section 29;

(c) confirmation that all continuous disclosure documents have been filed with the relevant CSA regulator or a description of the documents that will be filed;

(d) confirmation that the issuer has the necessary financial resources to pay all outstanding fees, referred to in section 27, or has paid these fees to each relevant CSA regulator;

(e) confirmation that the issuer's SEDAR and SEDI profiles are up-to-date;

(f) a draft full revocation order as contemplated in subsection 36(1);

(g) a completed personal information form and authorization in the form set out in Appendix A of National Instrument 41-101 *General Prospectus Requirements*, or Form 51-105F3A, for issuers subject to Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*, for each current and incoming director, executive officer and promoter of the issuer;

(h) if the issuer has been subject to another cease trade order within the 12-month period before the date of the current failure-to-file cease trade order, a detailed explanation of the reasons for the multiple defaults.

(2) To make a dual application to fully revoke a dual failure-to-file cease trade order that has been in effect for more than 90 days, a filer should remit any application fees payable under the securities legislation of the principal regulator and the OSC. The application should include the same information as set out in subsection (1).

(3) With respect to paragraph (1)(g), if the promoter is not an individual, the issuer should provide a completed personal information form and authorization for each director and executive officer of the promoter. If the issuer is an investment fund, the issuer should also provide a completed personal information form and authorization for each director and executive officer of the manager of the investment fund.

Materials to be filed with an application for a partial revocation

34. (1) To make an application for a partial revocation order, a filer should submit the application and remit any application fees payable under the securities legislation of the principal regulator, as set out in Annex B. The application should include all of the following information:

(a) the jurisdictions where the proposed trades would occur;

(b) details of any revocation applications currently in progress in the other jurisdictions;

(c) a description of the proposed trades and their purpose;

(d) a draft partial revocation order as contemplated in subsection 36(1) that includes conditions that the applicant will

(i) obtain, and provide upon request to the principal regulator, signed and dated acknowledgements from all participants in the proposed trades, which clearly state that the securities of the issuer acquired by the participant will remain subject to the failure-to-file cease trade order until a full revocation order is granted, the issuance of which is not certain, and

(ii) provide a copy of the failure-to-file cease trade order and the partial revocation order to all participants in the proposed trades;

(e) if the purpose of the proposed partial revocation is to permit the issuer to raise funds, use of proceeds information as discussed in subsection (4);

(f) if applicable, details of the exemptions the issuer intends to rely on to complete the proposed trades;

(g) if the proposed trades are the result of a decision by a court, a copy of the relevant court order.

(2) To make a dual application for a partial revocation order, a filer should submit the application and remit any application fees payable under the securities legislation of the principal regulator and the OSC. The application should include the same information as set out in subsection (1).

(3) A filer requesting a partial revocation order only in a jurisdiction that is not the principal jurisdiction should contact the CSA regulator of that jurisdiction so that appropriate steps can be taken regarding the filer's request.

(4) If the purpose of a proposed partial revocation of a failure-to-file cease trade order is to permit the issuer to raise funds, the application and the offering document, if any, should contain all of the following:

(a) an estimate, reasonably supported, of the amount the issuer expects to raise from the financing;

(b) a reasonably detailed explanation of the purpose of the financing and how the issuer plans to use the funds;

(c) an estimate, reasonably supported, of the total amount the issuer will need in order to apply for a full revocation order, which includes the amount of funds required to prepare and file the documents that are necessary to bring the issuer's continuous disclosure up to date and pay outstanding fees.

Request for confidentiality

35. (1) A filer requesting that the CSA regulators hold an application and supporting materials in confidence during the application review process should provide a substantive reason for the request in its application.

(2) Any request for confidentiality should explain why the request is reasonable in the circumstances and not prejudicial to the public interest and when any decision granting confidentiality would expire.

(3) Staff of the CSA regulators are unlikely to recommend that an order be held in confidence after its effective date. However, if a filer requests that the CSA regulators hold the application, supporting materials, or order in confidence after its effective date, the filer should describe the request for confidentiality separately in its application, and pay any required fee

(a) in the principal jurisdiction, or

(b) in the principal jurisdiction and in Ontario, if the filer is making a dual application.

(4) Communications on requests for confidentiality will normally take place by e-mail. If a filer is concerned with this practice, the filer may request in the application that all communications take place by telephone.

Form of order

36. (1) For the purposes of preparing a draft order to be included in an application for a full revocation of a failure-to-file cease trade order that has been in effect for more than 90 days or a partial revocation order, an issuer can refer to one of the following forms set out in this policy:

(a) if the application is for a full revocation of a failure-to-file cease trade order, the issuer should use Annex D – *Form of order for a full revocation of a FFCTO that has been in effect for more than 90 days*;

(b) if the application is a dual application for a full revocation of a dual failure-to-file cease trade order, the issuer should use Annex E — *Form of order for a full revocation of a dual FFCTO that has been in effect for more than 90 days;*

(c) if the application is for a partial revocation of a failure-to-file cease trade order, the issuer should use Annex F — *Form of order for a partial revocation of a FFCTO – applied for by issuer;* and

(d) if the application is a dual application for a partial revocation of a dual failure-to-file cease trade order, the issuer should use Annex G — *Form of order for a partial revocation of a dual FFCTO – applied for by issuer.*

(2) If a filer that is not the issuer is requesting a partial revocation order only in a jurisdiction that is not the principal jurisdiction, the filer should contact the CSA regulator of that jurisdiction for guidance on the appropriate form of order.

Filing

37. (1) Except as set out in subsections (3) and (4), a filer should send the application materials in paper format, including the draft order together with the fees, where applicable, and by e-mail to

(a) the principal regulator, or

(b) the principal regulator and the OSC, in the case of a dual application.

(2) For a dual application, filing the application concurrently with the principal regulator and the OSC will enable these CSA regulators to process the application expeditiously.

(3) In British Columbia, an electronic filing system is available for filing and tracking applications. Filers should file an application in British Columbia using that system instead of e-mail.

(4) In Ontario, an electronic system is available for filing applications. Filers should file an application in Ontario using that system instead of e-mail.

(5) Filers should send application materials by e-mail (or through the electronic systems in British Columbia and Ontario) using the relevant address or addresses listed below:

British Columbia	www.bcsc.bc.ca (click on *BCSC e-services* and follow the steps)
Alberta	legalapplications@asc.ca
Saskatchewan	exemptions@gov.sk.ca
Manitoba	exemptions.msc@gov.mb.ca
Ontario	www.osc.gov.on.ca/filings (follow the steps for submitting applications)
Québec	dispenses-passeport@lautorite.qc.ca
New Brunswick	passport-passeport@fcnb.ca
Nova Scotia	nsscexemptions@novascotia.ca

Incomplete or deficient material

38. If the filer's materials are deficient or incomplete, the principal regulator may ask the filer to file an amended application. This will likely delay the review of the application.

Acknowledgement of receipt of filing

39. After the principal regulator receives a complete application, the principal regulator will send the filer an acknowledgement of receipt of the application. For a dual application, the principal regulator will send a copy of the acknowledgement to the OSC. The acknowledgement will identify the name, phone number and e-mail address of the individual reviewing the application and, for a dual application, the end date of the review period identified in subsections 43(3), (4) or (5), as applicable.

Withdrawal or abandonment of application

40. **(1)** If a filer decides to withdraw an application at any time during the process, the filer must notify the principal regulator or, for a dual application, the principal regulator and the OSC, and provide an explanation of the withdrawal.

(2) If at any time during the review process, the principal regulator determines that a filer has abandoned an application, the principal regulator will notify the filer that it will mark the application as "abandoned". In that case, the principal regulator will close the file unless the filer provides acceptable reasons not to close the file in writing within 10 business days of the notification from the principal regulator. If the filer does not provide acceptable reasons, the principal regulator will notify the filer and, for a dual application, the filer and the OSC, that the principal regulator has closed the file.

DIVISION 5 REVIEW PROCESS FOR A REVOCATION ORDER

Review of continuous disclosure

41. **(1)** All full revocations will involve some level of review of the filings the issuer made in order to rectify the specified default. If the failure-to-file cease trade order has been in effect for more than 90 days, this review will be similar to the full review under the harmonized continuous disclosure review program described in CSA Staff Notice 51-312 (Revised) *Harmonized Continuous Disclosure Review Program.*

(2) Partial revocations generally do not involve a review of the issuer's continuous disclosure record.

Review process for a revocation of a failure-to-file cease trade order

42. **(1)** The principal regulator will conduct a review in relation to the revocation of a failure-to-file cease trade order in accordance with its securities legislation and securities directions and based on its review procedures, analysis and consideration of previous orders.

(2) The filer will deal only with the principal regulator, who will provide comments to and receive responses from the filer.

Review process for a revocation of a dual failure-to-file cease trade order

43. **(1)** The principal regulator will conduct a review in relation to the revocation of a dual failure-to-file cease trade order in accordance with its securities legislation and securities directions, based on its review procedures, analysis and consideration of previous orders. The principal regulator will consider any comments from the OSC.

(2) The filer will generally deal only with the principal regulator. The principal regulator will provide comments to the filer once it has completed its own review and considered any comments from the OSC. In exceptional circumstances, the principal regulator may refer the filer to the OSC.

(3) For a dual failure-to-file cease trade order that has been in effect for 90 days or less, the OSC will have one business day from being notified by the principal regulator that the issuer has filed the continuous disclosure documents specified in the failure-to-file cease trade order to conduct a review in relation to the revocation of the order.

(4) For a dual failure-to-file cease trade order that has been in effect for more than 90 days, the OSC will have 7 business days from receiving the acknowledgement referred to in section 39 to conduct a review in relation to the revocation of the order.

(5) For a partial revocation of a dual failure-to-file cease trade order, the OSC will have 7 business days from receiving the acknowledgement referred to in section 39 to conduct a review.

(6) For the revocation of a dual failure-to-file cease trade order, the OSC will advise the principal regulator, before the expiration of the review period, of any substantive issues that would cause OSC staff to recommend that the revocation order not be granted. The principal regulator may assume that the OSC does not have comments in respect of the revocation if the principal regulator does not receive the comments from the OSC within the review period.

DIVISION 6 DECISION-MAKING PROCESS

Revocation of a failure-to-file cease trade order

44. **(1)** After completing the review process and considering the recommendation of its staff, the principal regulator will determine whether or not to grant the revocation of a failure-to-file cease trade order.

(2) If the principal regulator is not prepared to grant the revocation order based on the information before it, the principal regulator will notify the filer accordingly.

(3) If a filer receives a notice under subsection (2) and this process is available in the jurisdiction of the principal regulator, the filer may request the opportunity to appear before, and make submissions to, the principal regulator.

Revocation of a dual failure-to-file cease trade order

45. **(1)** After completing the review process and considering the recommendation of its staff, the principal regulator will determine whether or not to grant the revocation of a dual failure-to-file cease trade order and promptly circulate its decision to the OSC.

(2) For a full revocation of a dual failure-to-file cease trade order that has been in effect for 90 days or less, the OSC will have one business day from receipt of the principal regulator's revocation order to confirm whether

(a) it has made the same decision as the principal regulator and is opting into the order, or

(b) it will not be making the same decision as the principal regulator.

(3) For a full revocation of a dual failure-to-file cease trade order that has been in effect for more than 90 days, the OSC will have 5 business days from receipt of the principal regulator's revocation order to confirm whether

(a) it has made the same decision as the principal regulator and is opting into the order, or

(b) it will not be making the same decision as the principal regulator.

(4) For a partial revocation of a dual failure-to-file cease trade order, the OSC will have 5 business days from receipt of the principal regulator's revocation order to confirm whether

(a) it has made the same decision as the principal regulator and is opting into the order, or

(b) it will not be making the same decision as the principal regulator.

(5) If the OSC elects to opt out as referred to in subsection (2), (3), or (4) as applicable, it will notify the principal regulator and give its reasons for opting out.

(6) If the OSC does not provide a response in the time frames contemplated under subsection (2), (3), or (4), as applicable, the principal regulator will consider that the OSC has opted out.

(7) The principal regulator will not send the filer an order for the revocation of a dual failure-to-file cease trade order before the earlier of

(a) the expiry of the opt-in period referred to in subsection (2), (3) or (4), as applicable, and

(b) receipt from the OSC of the confirmation referred to in subsection (2), (3) or (4), as applicable.

(8) If the OSC does not provide the confirmation referred to in subsection (2), (3) or (4), the principal regulator will advise the filer that it will not be receiving an order from the OSC and direct the filer to consult the OSC on this matter.

(9) If the principal regulator is not prepared to grant the order based on the information before it, it will notify the filer and the OSC.

(10) If a filer receives a notice under subsection (9) and this process is available in the jurisdiction of the principal regulator, the filer may request the opportunity to appear before, and make submissions to, the principal regulator. The principal regulator may hold a hearing on its own, or jointly or concurrently with the OSC.

DIVISION 7 EFFECT OF A REVOCATION ORDER

Effect of a revocation of a failure-to-file cease trade order

46. Under section 2 of Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders,* a principal regulator's revocation order has the effect of removing or limiting the prohibition or restriction on trading in each MI 11-103 jurisdiction where the issuer is a reporting issuer, to the same extent as in the jurisdiction of the principal regulator.

The effect is the same in each jurisdiction that has a statutory reciprocal order provision, except that the revocation order will have effect in these jurisdictions even where the issuer is not a reporting issuer.

Effect of a revocation of a dual failure-to-file cease trade order

47. **(1)** Under section 2 of Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders*, a principal regulator's revocation order has the effect of removing or limiting the prohibition or restriction on trading in each MI 11-103 jurisdiction where the issuer is a reporting issuer, to the same extent as in the jurisdiction of the principal regulator. The effect is the same in each jurisdiction that has a statutory reciprocal order provision except that the revocation order will have effect in these jurisdictions even where the issuer is not a reporting issuer.

(2) If the OSC has opted into the principal regulator's revocation order under section 45, the prohibition or restriction on trading in Ontario, referred to in section 18, is removed or limited to the same extent as in the jurisdiction of the principal regulator. The order of the principal regulator also evidences the OSC's decision.

(3) If the OSC has opted out or is considered to have opted out of the principal regulator's revocation order under section 45, the prohibition or restriction on trading in Ontario referred to in section 18 continues to apply.

PART 6
EFFECTIVE DATE

Effective Date

48. This policy comes into effect on June 23, 2016.

Annex A

Securities Act provisions for Cease Trade Orders

Jurisdiction	Legislative reference
British Columbia	Section 164
Alberta	Section 33.1
Saskatchewan	Section 134.1
Manitoba	Sections 147.1 and 148
Ontario	Section 127
Québec	Section 265, paragraph 3
New Brunswick	Section 188.2
Nova Scotia	Section 134A
Prince Edward Island	Section 59
Newfoundland and Labrador	Subsection 127(1)
Yukon	Section 59
Northwest Territories	Section 59
Nunavut	Section 59

Annex B
***Securities Act* provisions for full or partial revocation applications**

Jurisdiction	Legislative reference
British Columbia	Section 171
Alberta	Section 214
Saskatchewan	Subsections 158(3) and (4)
Manitoba	Subsection 147.1(1)
Ontario	Section 144
Québec	Sections 265, paragraph 3 and 318
New Brunswick	Subsections 188.2(3) and (4)
Nova Scotia	Section 151
Prince Edward Island	Section 15
Newfoundland and Labrador	Section 142.1
Yukon	Section 15
Northwest Territories	Section 15
Nunavut	Section 15

Annex C
Statutory reciprocal order provisions (*Securities Act*)

Jurisdiction	Legislative reference
Alberta	Section 198.1

Annex D
Form of order for a full revocation of a FFCTO that has been in effect for more than 90 days

Citation: [*neutral citation*] Date: [*date of order*]

[*name of issuer*]

REVOCATION ORDER
Under the securities legislation of [*insert jurisdiction of principal regulator*] (the **Legislation**)

Background

1. [*name of the issuer*] (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the [*regulator of / securities regulatory authority*] (the **Principal Regulator**) on [*date of the FFCTO*].

2. The Issuer has applied to the Principal Regulator under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (**NP 11-207**) for an order revoking the FFCTO.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* [or, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator),] or in NP 11-207 have the same meaning if used in this order, unless otherwise defined.

[Representations - *Include representations if necessary.*

3. This decision is based on the following facts represented by the Issuer:]

Order

4. The Principal Regulator is satisfied that the order to revoke the FFCTO meets the test set out in the Legislation for the Principal Regulator to make the decision.

5. The decision of the Principal Regulator under the Legislation is that the FFCTO is revoked [*if the FFCTO was a bulk order, add* "as it applies to the Issuer"].

_____
(Name of signatory for the principal regulator)

_____
(*Title*)

_____
(*Name of principal regulator*)

Annex E
Form of order for a full revocation of a dual FFCTO that has been in effect for more than 90 days

Citation: [*neutral citation*] Date: [*date of order*]

[*name of issuer*]

REVOCATION ORDER
Under the securities legislation of [*insert jurisdiction of principal regulator]* **and Ontario** (the **Legislation**)

Background

1. [*name of the issuer*] (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the regulator or securities regulatory authority in each of [*the principal regulator jurisdiction*] (the **Principal Regulator**) and Ontario (each a **Decision Maker**) respectively on [*date(s) of the FFCTO*].

2. The Issuer has applied to each of the Decision Makers under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (**NP 11-207**) for an order revoking the FFCTOs.

3. This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* [or, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator),] or in NP 11-207 have the same meaning if used in this order, unless otherwise defined.

[Representations - *Include representations if necessary.*

4. This decision is based on the following facts represented by the Issuer:]

Order

5. Each of the Decision Makers is satisfied that the order to revoke the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.

6. The decision of the Decision Makers under the Legislation is that the FFCTO is revoked [*if the FFCTO was a bulk order, add* "as it applies to the Issuer"].

_____
(Name of signatory for the principal regulator)

_____
(*Title*)

_____
(*Name of principal regulator*)

Annex F
Form of order for a <u>partial</u> revocation of a FFCTO – applied for by issuer

Citation: [*neutral citation*] Date: [*date of order*]

[*name of issuer*]

PARTIAL REVOCATION ORDER
Under the securities legislation of [*insert jurisdiction of principal regulator*] (the **Legislation**)

Background

1. [*name of the issuer*] (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the [*regulator / securities regulatory authority*] (the **Principal Regulator**) on [*date of the FFCTO*].

2. The Issuer has applied to the Principal Regulator for a partial revocation order of the FFCTO.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* [or in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator),] or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Representations

3. This decision is based on the following facts represented by the Issuer:

   a. [*Include necessary representations from Issuer.*]

Order

4. The Principal Regulator is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Principal Regulator to make the decision.

5. The decision of the Principal Regulator under the Legislation is that the FFCTO is partially revoked [*if the FFCTO was a bulk order, add* "as it applies to the Issuer"] solely to permit [*enter the name of the defined transaction e.g., Private Placement*].

_____
(Name of signatory for the principal regulator)

_____
(*Title*)

_____
(*Name of principal regulator*)

Annex G
Form of order for a <u>partial</u> revocation of a <u>dual</u> FFCTO – applied for by issuer

Citation: [*neutral citation*] Date: [*date of order*]

[*name of issuer*]

PARTIAL REVOCATION ORDER
Under the securities legislation of [*insert jurisdiction of principal regulator]* **and Ontario** (the **Legislation**)

Background

1. [*name of the issuer*] (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the regulator or securities regulatory authority in each of [*the principal regulator jurisdiction*] (the **Principal Regulator**) and Ontario (each a **Decision Maker**) respectively on [*date(s) of the FFCTOs*].

2. The Issuer has applied to each of the Decision Makers for a partial revocation order of the FFCTO.

3. This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* [or, in Québec, in *Regulation 14-501Q on definitions* (when the Autorité des marchés financiers is the principal regulator),] or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Representations

4. This decision is based on the following facts represented by the Issuer:

   a. [*Include necessary representations from Issuer.*]

Order

5. Each of the Decision Makers is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.

6. The decision of the Decision Makers under the Legislation is that the FFCTO is partially revoked [*if the FFCTO was a bulk order, add* "as it applies to the Issuer"] solely to permit [*enter the name of the defined transaction e.g., Private Placement*].

_____
(Name of signatory for the principal regulator)

_____
(*Title*)

_____
(*Name of principal regulator*)

ANNEX H

National Policy 12-202 *Revocation of Certain Cease Trade Orders*

PART 1
INTRODUCTION

Scope of this policy

1. This policy[1] provides guidance for issuers applying for the revocation of a cease trade order (or CTO, as defined below) for a continuous disclosure default that is not covered by the definition of failure-to-file cease trade order in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*. These CTOs include all of the following:

(a) a CTO issued in respect of a failure to file deficiency that is not a specified default;[2]

(b) a CTO issued where a reporting issuer has made a required filing but the required filing is deficient in terms of content (a content deficiency);[3]

(c) a management cease trade order as defined in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*;

(d) a CTO issued in respect of an issuer that is only a reporting issuer in one jurisdiction;

(e) a CTO issued prior to the effective date of Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*.

This policy describes what the issuer should file, the general type of review that the Canadian Securities Administrators (or we) will perform, and explains some of the factors that we will consider when determining whether to grant a full or partial revocation of the CTO.[4] It also applies, where the context permits, to a securityholder or other party applying for a revocation order.

PART 2
DEFINITIONS AND INTERPRETATION

Definitions

2. In this policy:

"application" means an application for a partial or full revocation of a CTO submitted to the applicable jurisdictions (see Appendix A for section references); in British Columbia, if the CTO has been in effect for 90 days or less, the filing of the required continuous disclosure documents constitutes the application;

"CSA regulator" means a securities regulatory authority or a regulator, as applicable;

"cease trade order" (or "CTO") has the same meaning as in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions;*

"MD&A" has the same meaning as in National Instrument 51-102 *Continuous Disclosure Obligations*;

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1 National Policy 12-202 *Revocation of a Compliance-Related Cease Trade Order* has been withdrawn and replaced by this policy, National Policy 12-202 *Revocation of Certain Cease Trade Orders*. This replacement policy, which includes a title change, reflects the fact that the processes surrounding the full or partial revocation (including variation) of cease trade orders that fall within the definition of failure-to-file cease trade order in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* have been moved to National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.*

2 The definition of "specified default" does not include certain failure to file deficiencies described in section 1 of CSA Notice 51-322 *Reporting Issuer Defaults*, such as a failure to file a material change report, or a failure to file technical disclosure or other reports required by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* or National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities.* We have omitted these items from the definition because these filings will generally be non-periodic in nature and in some cases it may be unclear whether a filing requirement has been triggered.

3 Examples of content deficiencies are set out in section 2 of CSA Notice 51-322 *Reporting Issuer Defaults.*

4 The full or partial revocation of a CTO will have an automatic effect in jurisdictions that have a statutory reciprocal order provision, as this term is defined in section 3 of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.*

"MRFP" means a management report of fund performance as defined in National Instrument 81-106 *Investment Fund Continuous Disclosure*;

"partial revocation order" has the same meaning as in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*;

"SEDAR" means System for Electronic Document Analysis and Retrieval;

"SEDI" means System for Electronic Disclosure by Insiders;

"venture issuer" has the same meaning as in National Instrument 51-102 *Continuous Disclosure Obligations*.

Further definitions

3. Terms used in this policy that are defined in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* or National Instrument 14-101 *Definitions* have the same meaning as in those instruments.

Interpretation

4. **(1)** In certain jurisdictions, the CSA regulator may issue a CTO that prohibits trading in, and the acquisition or purchase of, securities of a reporting issuer. In these jurisdictions, references in this policy to a "trade" refer to a trade in, acquisition of, or purchase of securities of the reporting issuer, as applicable.

(2) In Québec, "trade" is not defined in the *Securities Act* (Québec). This policy covers any activity in respect of a transaction in securities that may be the object of an order issued under paragraph 3 of section 265 of the *Securities Act* (Québec), other than CTOs that fall within the definition of failure-to-file cease trade order in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*.

PART 3
REVOCATION QUALIFICATION CRITERIA AND CONSIDERATIONS

DIVISION 1 FULL REVOCATION

Filing outstanding continuous disclosure for a full revocation

5. **(1)** We will generally not exercise our discretion to grant a full revocation order, subject to sections 6 and 7, unless the issuer has filed all of its outstanding continuous disclosure.

(2) Most of the continuous disclosure requirements are in the following rules or regulations:

(a) National Instrument 51-102 *Continuous Disclosure Obligations*;

(b) National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;

(c) National Instrument 81-106 *Investment Fund Continuous Disclosure*;

(d) National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;

(e) National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*;

(f) Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

(g) National Instrument 52-110 *Audit Committees*;

(h) National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

Exceptions to interim filing requirements

6. In exercising our discretion to revoke a CTO, we may elect not to require the issuer to file certain outstanding interim financial reports, interim MD&A, interim MRFP, or interim certificates under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, subject to section 7, if the issuer has filed all of the following:

(a) audited annual financial statements, annual MD&A, annual MRFP, and annual certificates, required to be filed under applicable securities legislation;

(b) annual information forms, information circulars and material change reports required to be filed under applicable securities legislation;

(c) for all interim periods in the current fiscal year, interim financial reports (which include the applicable comparatives from the prior fiscal year), interim MD&A, interim MRFP, and interim certificates, required to be filed under applicable securities legislation.

Exceptions to annual filing requirements

7. In certain cases, an issuer seeking a revocation order may consider that the length of time that has elapsed since the date of the CTO makes the preparation and filing of all outstanding disclosure impractical or of limited use to investors. This may particularly apply to disclosure for periods that ended more than 3 years before the date of the application for a non-venture issuer or more than 2 years before the date of the application for a venture issuer, or for periods prior to a significant change in the issuer's business. An issuer seeking a revocation order in these circumstances should make detailed submissions explaining its position. In appropriate cases, we will consider whether the filing of certain outstanding disclosure may be unnecessary as a condition of a full revocation order. The factors that we may consider include one or more of the following:

(a) the age of information to be contained in the continuous disclosure filing: information from older periods may be less relevant than information from more recent periods;

(b) whether there is access to records of the issuer: lack of access to records may hinder compliance with some filing requirements;

(c) whether the issuer conducted activity during the period: if an issuer was inactive or changed its business at any time while it was cease-traded, disclosure of information from or prior to this time may be less relevant;

(d) the length of time the CTO has been in effect;

(e) whether the historical disclosure relates to significant transactions or litigation.

We generally consider that disclosure for periods within the most recent 3 financial years for a non-venture issuer, or the most recent 2 financial years for a venture issuer, provides useful information for investors. We generally do not consider the time and cost required to prepare disclosure to be a compelling factor in the determination of the disclosure to be provided in connection with an application to revoke a CTO.

Outstanding fees

8. Before a full revocation order is issued, the issuer should pay all outstanding fees to each CSA regulator in whose jurisdiction it is a reporting issuer. Outstanding fees generally include, where applicable, all activity and participation fees, and late filing fees.

Depending on how long the CTO has been in effect, and whether the issuer filed its continuous disclosure documents in a timely manner while it was cease-traded, the amount of outstanding fees can be considerable. Before submitting an application, an issuer should contact each relevant CSA regulator to confirm the fees that will be payable.

Annual meeting

9. An issuer should ensure that it has complied with the requirement in applicable corporate or similar governing legislation or any equivalent requirement in its constating documents to hold an annual meeting of securityholders. If the issuer has not complied with the annual meeting requirement, we will generally not exercise our discretion to issue a full revocation order unless the issuer provides an undertaking to the relevant CSA regulator(s) to hold the annual meeting within 3 months after the date on which the CTO is revoked.

An undertaking does not relieve the issuer from any requirement to hold an annual meeting requirement.

News release

10. If the issuance of a revocation order or the circumstances giving rise to the issuer seeking the revocation order are a "material change", the issuer is required by Canadian securities legislation to issue and file a news release and material

change report. For example, if the issuer has ceased to carry on an active business, or its business purpose has been abandoned, the circumstances giving rise to the issuer seeking the revocation order may be a "material change". If so, the news release and material change report should disclose that the issuer has ceased to carry on an active business or that its business purpose has been abandoned, and should disclose the issuer's future business plans or that the issuer has no future business plans.

Even if there is no material change, the issuer should consider issuing a news release that announces the revocation order.

DIVISION 2 PARTIAL REVOCATIONS

Permitted transactions

11. We will consider granting a partial revocation order to permit certain transactions involving trades in securities of the issuer, such as a private placement to raise sufficient funds to prepare and file outstanding continuous disclosure documents or a shares-for-debt transaction to allow the issuer to recapitalize. We will generally not exercise our discretion to grant a partial revocation order unless the issuer intends to subsequently apply for a full revocation order and reasonably anticipates having sufficient resources after the proposed transaction to bring its continuous disclosure and fees up to date.

Other circumstances may arise that warrant a partial revocation order. For example, we will generally consider granting a partial revocation order to permit a securityholder to sell securities for a nominal amount solely to establish a tax loss, or if the issuer is winding up or in the context of insolvency. It may be possible to establish a loss for tax purposes without disposing of the securities. Securityholders may want to consult the *Income Tax Act* before applying for a partial revocation order.

Issuers may wish to consult their legal counsel to determine whether a particular transaction constitutes a trade and therefore requires an application for a partial revocation order. For example, in most jurisdictions of Canada, a disposition of securities by way of a bona fide gift, made in good faith and not as part of a plan or scheme to evade requirements of securities legislation, would generally not be considered a "trade" under securities legislation. As such, a partial revocation order would not typically be required in these circumstances. However, after the gift, the securities will generally remain subject to the CTO.

Acts in furtherance of a trade

12. The definition of trade, where applicable, includes acts in furtherance of a trade. In any particular case, it is a question of legal interpretation whether a step taken by an issuer or other party is an act in furtherance of a trade, and therefore a breach of the CTO. If securities have been issued in breach of a CTO, we will consider whether enforcement action is appropriate. Issuers should consult their legal counsel whenever there is doubt as to whether a proposed action would be an act in furtherance of a trade. We generally expect an issuer to obtain a partial revocation order before carrying out an act in furtherance of a trade. For example, we expect an issuer or other party intending to conduct a trade to obtain a partial revocation order before entering into an agreement to transfer securities and before publicly disclosing an intended transaction in securities.

Continuing effect of CTO

13. Following the completion of a trade permitted by a partial revocation order, all securities of the issuer remain subject to the CTO until a full revocation is granted, depending on the terms of the CTO.

PART 4
APPLICATIONS

Application for a full revocation

14. **(1)** All applications for a full revocation will result in some level of review of the issuer's continuous disclosure record for compliance.

(2) An issuer requesting a full revocation order should submit an application, with the application fees, to the CSA regulator in all jurisdictions where the issuer's securities are cease-traded. The application should include all of the following information:

(a) the jurisdictions where the issuer's securities are cease-traded;

(b) details of any revocation applications currently in progress in the other jurisdictions;

(c) a copy of any draft material change report or news release as discussed in section 10;

(d) confirmation that all continuous disclosure documents have been filed with the relevant CSA regulator or a description of the documents that will be filed;

(e) confirmation that the issuer has the necessary financial resources to pay all outstanding fees, referred to in section 8, or has paid these fees to each relevant CSA regulator;

(f) confirmation that the issuer's SEDAR and SEDI profiles are up-to-date;

(g) a draft revocation order;

(h) a completed personal information form and authorization in the form set out in Appendix A of National Instrument 41-101 *General Prospectus Requirements* for each current and incoming director, executive officer and promoter of the issuer;

(i) if the issuer has been subject to another CTO within the 12-month period before the date of the current CTO, the issuer should provide a detailed explanation of the reasons for the multiple defaults.

(3) With respect to paragraph 14(2)(h), if the promoter is not an individual, the issuer should provide a completed personal information form and authorization for each director and executive officer of the promoter. If the issuer is an investment fund, the issuer should also provide a completed personal information form and authorization for each director and executive officer of the manager of the investment fund.

Application for a partial revocation

15. (1) An issuer requesting a partial revocation order should submit an application with the application fees, where applicable, to the CSA regulator in all jurisdictions where the issuer's securities are cease-traded and where the proposed trades would occur. The application should include all of the following information:

(a) the jurisdictions where the issuer's securities are cease-traded and where the proposed trades would occur;

(b) details of any revocation applications currently in progress in the other jurisdictions;

(c) a description of the proposed trades and their purpose;

(d) a draft partial revocation order that includes conditions that the applicant will

(i) obtain, and provide upon request to the relevant CSA regulators, signed and dated acknowledgements from all participants in the proposed trades, which clearly state that the securities of the issuer acquired by the participant will remain subject to the CTO until a full revocation order is granted, the issuance of which is not certain, and

(ii) provide a copy of the CTO and partial revocation order to all participants in the proposed trades;

(e) if the purpose of the proposed partial revocation is to permit an issuer to raise funds, use of proceeds information as discussed in subsection (2);

(f) if applicable, details of the exemptions the issuer intends to rely on to complete the proposed trades;

(g) if the proposed trades are the result of a decision by a court, a copy of the relevant court order.

(2) If the purpose of a proposed partial revocation of a CTO is to permit the issuer to raise funds, the application and the offering document, if any, should contain all of the following:

(a) an estimate, reasonably supported, of the amount the issuer expects to raise from the financing;

(b) a reasonably detailed explanation of the purpose of the financing and how the issuer plans to use the funds;

(c) an estimate, reasonably supported, of the total amount the issuer will need in order to apply for a full revocation order, which includes the amount of funds required to prepare and file the documents that are necessary to bring the issuer's continuous disclosure up to date and pay outstanding fees.

Request for confidentiality

16. **(1)** An issuer requesting that a CSA regulator hold an application and supporting materials in confidence during the application review process should provide a substantive reason for the request in its application.

(2) Any request for confidentiality should explain why the request is reasonable in the circumstances and not prejudicial to the public interest and when any decision granting confidentiality would expire.

(3) Staff of a CSA regulator is unlikely to recommend that an order be held in confidence after its effective date. However, if an issuer requests that a CSA regulator hold the application, supporting materials, or order in confidence after its effective date, the issuer should describe the request for confidentiality separately in its application, and pay any required fee to the CSA regulator.

(4) Communications on requests for confidentiality will normally take place by e-mail. If an issuer is concerned with this practice, the issuer may request in the application that all communications take place by telephone.

PART 5
EFFECTIVE DATE

Prior policy

17. National Policy 12-202 *Revocation of a Compliance-Related Cease Trade Order* is withdrawn and replaced by this policy.

Effective date

18. This new policy comes into effect on June 23, 2016.

Appendix A

Legislative references for an application under local securities legislation

British Columbia:
Securities Act: sections 164 and 171.

Alberta:
Securities Act: section 214.

Saskatchewan:
The Securities Act, 1988: subsections 158(3) and (4).

Manitoba:
Securities Act: subsection 148(1).

Ontario:
Securities Act: section 144.

Quebec:
Securities Act: section 265 paragraph 3 and section 318.

New Brunswick:
Securities Act: section 188.2.

Nova Scotia:
Securities Act: section 151.

Prince Edward Island:
Securities Act: sections 15 and 59.

Newfoundland and Labrador:
Securities Act: section 142.1.

Yukon:
Securities Act: sections 15 and 59.

Northwest Territories:
Securities Act: sections 15 and 59.

Nunavut:
Securities Act: sections 15 and 59.

ANNEX I

National Policy 12-203 *Management Cease Trade Orders*

PART 1
INTRODUCTION

Scope of this policy

1. This policy[1] provides guidance to issuers, investors and other market participants as to when the Canadian Securities Administrators (CSA or we) will consider responding to a specified default by issuing a management cease trade order (or MCTO). It explains what we mean by the term MCTO and why we issue MCTOs, addresses what other actions we will ordinarily take when issuing an MCTO, and identifies what we expect from defaulting reporting issuers in these circumstances.

The definition of "specified default" does not include certain defaults described in CSA Notice 51-322 *Reporting Issuer Defaults*, such as a failure to file a material change report, or a failure to file technical disclosure or other reports required by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* or National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

We have omitted these items from the definition because these filings will generally be non-periodic in nature, and in some cases it may be unclear whether the issuer has triggered a filing requirement. However, a CSA regulator may apply this policy statement if a reporting issuer is in default of a continuous disclosure requirement that is not included in the definition of specified default. Similarly, a CSA regulator may apply this policy statement if a reporting issuer has made a required filing but the required filing is deficient in terms of content.

The guidance in this policy is general in nature. Each CSA regulator will decide how to respond to a specified default, including whether to issue an MCTO on a case-by-case basis after considering all relevant facts and circumstances.

PART 2
DEFINITIONS AND INTERPRETATION

Definitions

2. In this policy:

"alternative information guidelines" means the guidelines relating to a default announcement and default status report described in sections 9 and 10;

"cease trade order" has the same meaning as in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*;

"CSA regulator" means a securities regulatory authority or a regulator, as applicable;

"default announcement" means a news release and material change report as described in section 9;

"default status report" means a report as described in section 10;

"failure-to-file cease trade order" has the same meaning as in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*;

"management cease trade order" (or "MCTO") has the same meaning as in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions;*

"principal regulator" has the same meaning as in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*;

[1] National Policy 12-203 *Cease Trade Orders for Continuous Disclosure Defaults* has been withdrawn and replaced by this policy, National Policy 12-203 *Management Cease Trade Orders*. This replacement policy, which includes a title change, reflects the fact that the process surrounding the issuance of failure-to-file cease trade orders has been moved to National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.*

"specified default" has the same meaning as in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*;

"specified requirement" means the requirement to file within the time period prescribed by securities legislation one or more of the following:

(a) annual financial statements;

(b) an interim financial report;

(c) annual or interim MD&A or annual or interim MRFP;

(d) an annual information form;

(e) a certification of filings under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;

"SEDAR" means System for Electronic Document Analysis and Retrieval.

Further definitions

3. Terms used in this policy that are defined in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* or National Instrument 14-101 *Definitions* have the same meaning as in those instruments.

Interpretation

4. In certain jurisdictions, the CSA regulator may issue cease trade orders and MCTOs that prohibit trading in, and the purchase or acquisition of, securities of a reporting issuer. In these jurisdictions, references in this policy to a "trade" refer to a trade in, acquisition of, or purchase of securities of the reporting issuer, as applicable.

In Québec, "trade" is not defined in the *Securities Act* (Québec). This policy covers any activity in respect of a transaction of securities that may be the object of an order issued under paragraph 3 of section 265 of the *Securities Act* (Québec), other than cease trade orders that fall within the definition of failure-to-file cease trade order in Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*.

PART 3
ISSUANCE AND REVOCATION OF A MANAGEMENT CEASE TRADE ORDER

Possible regulatory responses to a specified default

5. In the jurisdictions where the issuer is a reporting issuer, the CSA regulators will generally respond to a specified default by noting the issuer in default on their default lists. For more information about the CSA default lists, refer to CSA Notice 51-322 *Reporting Issuer Defaults*.

The CSA regulators will then generally respond to a specified default in one of two ways:

(a) by issuing a failure-to-file cease trade order;

(b) if an issuer applies under section 8, and demonstrates that it is able to comply with this policy, by issuing an MCTO.

For more information about failure-to-file cease trade orders refer to National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*.

If the outstanding filing is expected to be filed relatively quickly, the default is not expected to be recurring and the issuer meets the eligibility criteria outlined in section 6, an MCTO may be an appropriate response to the default.

If the issuer's principal regulator decides that an MCTO is appropriate, it will generally issue an MCTO that restricts the trading of the issuer's chief executive officer and chief financial officer. At the discretion of the principal regulator, it will similarly decide whether to extend it to the issuer's directors or other persons or companies. Since MCTOs are not covered by Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions*, the non-principal

regulators in the jurisdictions in which the issuer is a reporting issuer will generally issue MCTOs in respect of persons or companies named in the principal regulator's MCTO that reside in their jurisdiction.[2]

Eligibility criteria

6. We will consider granting an MCTO if the issuer satisfies all of the following criteria:

(a) the outstanding filings are expected to be filed as soon as they are available and within a reasonable period. In most cases, we expect this to be within 2 months. However, in exceptional circumstances, as determined by the principal regulator, we may permit an issuer to take longer than 2 months to remedy the default;

(b) the issuer is generating revenue from its principal business or, if it is in the development stage, the issuer is actively pursuing the development of its products or properties;

(c) the issuer has the necessary financial and human resources, including a reasonable number of directors and officers in place, to remedy the default in a timely and effective manner and complies with all other continuous disclosure requirements (other than requirements reasonably linked to the specified default) for the duration of the default;

(d) the issuer's securities are listed on a Canadian stock exchange and there is an active, liquid market for those securities. Thinly traded issuers will generally not be considered eligible for an MCTO;

(e) the issuer is not on the defaulting reporting issuer list in any CSA jurisdiction for any reason other than the failure to comply with the specified requirement (and any other requirement that is reasonably linked to the specified requirement).

We will also consider an issuer's history of complying with its continuous disclosure obligations when evaluating the issuer's request for an MCTO. A reporting issuer subject to insolvency proceedings should also refer to section 14 for additional considerations.

Application timing

7. If an issuer satisfies the eligibility criteria set out above, it should contact its principal regulator at least 2 weeks before the due date for the required filings and apply in writing for an MCTO instead of a having a cease trade order issued against the issuer.

We believe that, in most cases, an issuer exercising reasonable diligence should be able to determine whether it can comply with a specified requirement at least 2 weeks in advance of the deadline. We acknowledge, however, that there will be rare situations where an issuer, notwithstanding the exercise of reasonable diligence, will be unable make this determination at least 2 weeks before the due date. In these rare cases, the issuer should include a brief explanation of the reasons for the delayed filing in its application.

We will generally not consider an application for an MCTO that is submitted after a filing deadline.

Application contents

8. An issuer that wishes to apply for an MCTO under this policy should apply to the issuer's principal regulator and send a copy of the application to each CSA regulator in the other jurisdictions in which the issuer is a reporting issuer.

In its application, the issuer should

(a) identify the specified default, the reasons for the default and the anticipated duration of the default,

(b) explain how the issuer satisfies each of the eligibility criteria described in section 6,

(c) set out a detailed remediation plan that explains how the issuer proposes to remedy the default and includes a realistic timetable for remedying the default,

[2] Management cease trade orders will be automatically reciprocated in jurisdictions that have a statutory reciprocal order provision as this term is defined in section 3 of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.* This automatic reciprocation will occur in these jurisdictions even where the issuer is not a reporting issuer.

(d) include consents signed by the chief executive officer and the chief financial officer (or equivalent) to the issuance of an MCTO (see Appendix A),

(e) include a copy of the proposed or actual default announcement,

(f) confirm that the issuer will comply with the alternative information guidelines,

(g) include a copy of the issuer undertaking described in section 13, and

(h) briefly describe the issuer's blackout policies and other policies and procedures relating to insider trading.

Alternative Information Guidelines – Default Announcement

9. If a reporting issuer determines that it will not comply, or subsequently determines that it has not complied, with a specified requirement, this will often represent a material change that the issuer should immediately communicate to the securities marketplace by way of a news release and material change report in accordance with part 7 of National Instrument 51-102 *Continuous Disclosure Obligations*. In determining whether a failure to comply with a specified requirement is a material change, the issuer should consider both the events leading to the failure and the failure itself.

If neither the circumstances leading to the default, nor the default, represent a material change, the issuer should nevertheless consider whether the circumstances involve important information that should be immediately communicated to the marketplace by way of news release.

The CSA regulators will generally not exercise their discretion to issue an MCTO unless the issuer issues and files a default announcement containing the information set out below. If the default involves a material change, the material change report may contain this information, in which case a separate default announcement is not necessary. The default announcement should be authorized by the chief executive officer or the chief financial officer (or equivalent) of the reporting issuer, approved by the board or audit committee and prepared and filed with the CSA regulators on SEDAR in the same manner as a news release and material change report referred to in part 7 of National Instrument 51-102 *Continuous Disclosure Obligations*. An issuer will usually be able to determine that it will not comply with a specified requirement at least 2 weeks before the due date and, as soon as it makes this determination, should issue the default announcement.

The default announcement should

(a) identify the relevant specified requirement and the (anticipated) default,

(b) disclose in detail the reason(s) for the (anticipated) default,

(c) disclose the plans of the reporting issuer to remedy the default, including the date it anticipates remedying the default,

(d) confirm that the reporting issuer intends to satisfy the provisions of the alternative information guidelines so long as it remains in default of a specified requirement,

(e) disclose relevant particulars of any insolvency proceeding to which the reporting issuer is subject, including the nature and timing of information that is required to be provided to creditors, and confirm that the reporting issuer intends to file with the CSA regulators throughout the period in which it is in default, the same information it provides to its creditors when the information is provided to the creditors and in the same manner as it would file a material change report under part 7 of National Instrument 51-102 Continuous *Disclosure Obligations*, and

(f) subject to section 11, disclose any other material information concerning the affairs of the reporting issuer that has not been generally disclosed.

A default announcement is not needed if the issuer is in default of a previous specified requirement, has followed the provisions of this section regarding a default announcement of that earlier default and is complying with the provisions of section 10 regarding default status reports.

Alternative Information Guidelines — Default Status Reports

10. After the default announcement, and during the period of the MCTO, the CSA regulators will generally exercise their discretion to issue a cease trade order unless the defaulting reporting issuer issues bi-weekly default status reports, in the form of news releases, containing the following information:

(a) any changes to the information contained in the default announcement or subsequent default status reports that would reasonably be expected to be material to an investor, including a description of all actions taken to remedy the default and the status of any investigations into any events which may have contributed to the default;

(b) particulars of any failure by the defaulting reporting issuer in fulfilling its stated intentions with respect to satisfying the provisions of the alternative information guidelines;

(c) information regarding any (anticipated) specified default subsequent to the default which is the subject of the default announcement;

(d) subject to section 11, any other material information concerning the affairs of the reporting issuer that has not been generally disclosed.

Where there are no changes otherwise required to be disclosed in items (a) to (d), this fact should be disclosed in a default status report.

To keep the market continuously informed of any developments during the period of default, the issuer should issue default status reports every 2 weeks following the default announcement. If a CSA regulator, at any time, issues a cease trade order against an issuer, default status reports will no longer be necessary.

Every default status report should be prepared, authorized, filed and communicated to the securities marketplace in the same manner as that specified in section 9 for a default announcement.

Confidential material information

11. The alternative information guidelines in this policy supplement the material change reporting requirements in National Instrument 51-102 *Continuous Disclosure Obligations* and should be interpreted in a similar manner. Similar to the procedures in that instrument, an issuer may omit confidential material information from default status announcement or default status reports if in the opinion of the issuer, and if that opinion is arrived at in a reasonable manner, disclosure of the applicable material information would be unduly detrimental to the interests of the reporting issuer.

Compliance with other continuous disclosure requirements

12. The alternative disclosure described in sections 9 and 10 supplements the issuer's disclosure record during the period of default. It does not provide an alternative to the continuous disclosure requirements under Canadian securities legislation.

If a reporting issuer is in default of a specified requirement, the issuer must still comply with all other applicable continuous disclosure requirements, other than requirements reasonably linked to the specified requirement in question. For example, an issuer that has not filed its financial statements on time will also be unable to comply with the requirement to file management's discussion and analysis under National Instrument 51-102 *Continuous Disclosure Obligations*. However, failure to comply with a requirement to file audited financial statements in accordance with the requirements of part 4 of National Instrument 51-102 *Continuous Disclosure Obligations* does not excuse compliance with other requirements of that instrument such as the requirement to file an Annual Information Form in accordance with part 6 or material change reports in accordance with part 7.

Issuer undertaking to cease certain trading activities

13. The reporting issuer should include with the application an undertaking that, for so long as the issuer is in default of the specified requirement in question, the issuer will not, directly or indirectly, issue securities to or acquire securities from an insider or employee of the issuer except in accordance with legally binding obligations to do so existing as of the date of the specified default. The issuer should address the undertaking to the CSA regulator of each jurisdiction in which the issuer is a reporting issuer.

Reporting issuers subject to insolvency proceedings

14. If a reporting issuer is the subject of insolvency proceedings, we will consider an application for an MCTO if in addition to complying with all applicable sections of this policy, including the eligibility criteria in section 6,

(a) the issuer retains title to its assets,

(b) the issuer's directors and officers continue to manage the affairs of the issuer, and

(c) the issuer agrees to file a report disclosing the information it provides to its creditors

(i) simultaneously with delivery to its creditors, and

(ii) in the same manner as a report of a material change referred to in part 7 of National Instrument 51-102 *Continuous Disclosure Obligations.*

If the issuer chooses to file the information provided to creditors with a material change report, then, for the purposes of filing on SEDAR, this should be contained in the same electronic document as the material change report.

Financial information in default announcements and default status reports

15. Any unaudited financial information that is communicated to the marketplace should, except in certain circumstances involving insolvency, be directly derived from financial statements prepared and presented in accordance with generally accepted accounting principles. In default announcements and default status reports, this information should be accompanied by cautionary language that the information has been prepared by management of the defaulting reporting issuer and is unaudited.

Default correction announcement

16. Once the specified default is remedied, the reporting issuer should consider communicating that information to the securities marketplace in the same manner as that specified in this policy for a default announcement.

Revocation of a management cease trade order

17. Some MCTOs will include a provision which describes when the MCTO will automatically expire.

The process for revoking an MCTO that does not automatically expire by its terms is described in National Policy 12-202 *Revocations of Certain Cease Trade Orders*.

PART 4
OTHER CONSIDERATIONS

Trading by management and other insiders during the period of default

18. Certain guidelines regarding trading by management and other insiders during the period of default are set out in section 9 of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*.

No penalty or sanction for disclosure purposes

19. The CSA regulators do not consider MCTOs issued under this policy to be a "penalty" or "sanction" for the purposes of disclosure obligations in Canadian securities legislation relating to penalties or sanctions. They are not issued as part of an enforcement process and the CSA regulators do not intend them to suggest a finding of fault or wrongdoing on the part of any individual named in the MCTO. For example, a defaulting issuer's board of directors might invite an individual to serve as an officer or director of the issuer to assist the issuer in remedying its default. The individual might have no prior involvement with the defaulting reporting issuer. The fact that the principal regulator may subsequently name the individual in an MCTO does not mean the individual had any responsibility for the default, which occurred before the individual joined the issuer.

However, issuers are required to disclose MCTOs issued under this policy in accordance with the following disclosure requirements:

(a) Section 16.2 of Form 41-101F1 *Information Required in a Prospectus*;

(b) Item 16 of Form 44-101F1 *Short Form Prospectus*;

(c) Subsection 10.2(1) of Form 51-102F2 *Annual Information Form*;

(d) Item 7.2 of Form 51-102F5 *Information Circular*.

If an issuer is required to include disclosure of an MCTO in a public filing, the issuer may supplement the disclosure with additional information explaining the circumstances of the MCTO.

PART 5
EFFECTIVE DATE

20. National Policy 12-203 *Cease Trade Orders for Continuous Disclosure Defaults* is withdrawn and replaced by this policy.

21. This policy comes into effect on June 23, 2016.

Appendix A — Sample Form of Consent

Consent

To: [*Name of Issuer's Principal Regulator*], as principal regulator (the Regulator),

And to: [*Name(s) of other Regulator(s) in whose jurisdiction(s) the Issuer is a reporting issuer* (collectively with the principal regulator, the Regulators)

Re: Consent to issuance of management cease trade order

I, [*name of individual providing the consent*] hereby confirm as follows:

1. I am the [*name of position with the Issuer, e.g., the chief executive officer or chief financial officer*] of [*name of Issuer*] (the Issuer).

2. The Issuer is a [*nature of entity, e.g., a corporation incorporated under the Canada Business Corporations Act*] with a head office located in [*province or territory*].

3. The Issuer is a reporting issuer in [*identify all jurisdictions in which the issuer is a reporting issuer*]. The Issuer's principal regulator, as determined in accordance with section 13 of National Policy 11-207 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* is [*name of principal regulator*].

4. The Issuer [is] [is not] [*delete as applicable*] a "venture issuer" as defined in National Instrument 51-102 *Continuous Disclosure Obligations*. The Issuer has a financial year ending [*state the issuer's year end, e.g., December 31*].

5. On or about [*identify the deadline for filing*] (the filing deadline), the Issuer will be required to file [*briefly describe the required filings, e.g.,*

    a. *audited annual financial statements for the year ended December 31, 2014, as required by Part 4 of* National Instrument 51-102 *Continuous Disclosure Obligations;*

    b. *management's discussion and analysis (MD&A) relating to the audited annual financial statements, as required by Part 5 of* National Instrument 51-102 *Continuous Disclosure Obligations; and*

    c. *CEO and CFO certificates relating to the audited annual financial statements, as required by National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (collectively, the required filings)*].

6. The Issuer has determined that it may not be able to make the required filings by the filing deadline. The Issuer wishes to apply to the Regulator[s] for a management cease trade order (an MCTO) as an alternative to a general cease trade order in accordance with National Policy 12-203 *Management Cease Trade Orders.*

7. I am providing this consent in support of the Issuer's application for an MCTO in accordance with section 8 of National Policy 12-203 *Management Cease Trade Orders*.

8. I hereby consent to the issuance of an MCTO against me by the Issuer's principal regulator under the applicable statutory authority listed in Annex A to National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*.

9. Specifically, I understand that the MCTO will prohibit me from trading in or acquiring securities of the Issuer, directly or indirectly, until two full business days following the receipt by the principal regulator of all filings the Issuer is required to make under the securities legislation of the principal regulator or until further Order of the principal regulator.

10. I hereby further consent to the issuance of any substantially similar MCTO that another regulator may consider necessary to issue by reason of the default described above.

DATED this _____ day of [DATE]

by: _____

Name:

Title:

Amended ● .

ANNEX J

Local Matters

There is no Annex J “Local Matters” in Ontario.

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Advantage Oil & Gas Ltd.
Principal Regulator - Alberta)
Type and Date:
Preliminary Short Form Prospectus dated February 23, 2016
NP 11-202 Receipt dated February 23, 2016
Offering Price and Description:
$87,537,500 - 11,750,000 Common Shares
Price: $7.45 per Common Share
Underwriter(s) or Distributor(s):
FIRSTENERGY CAPITAL CORP.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
PETERS & CO LIMITED
TD SECURITIES INC.
CIBC WORLD MARKETS INC.
DESJARDINS SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
CORMARK SECURITIES INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
Promoter(s):
-
Project #2446051

Issuer Name:
First Asset Core Canadian Equity Income Class ETF
First Asset MSCI Canada Quality Index Class ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated February 24, 2016
NP 11-202 Receipt dated February 25, 2016
Offering Price and Description:
Corporate Class and Class J Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
First Asset Investment Management Inc.
Project #2446730

Issuer Name:
First Asset Core Canadian Equity Income Class ETF
First Asset MSCI Canada Quality Index Class ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated February 22, 2016
NP 11-202 Receipt dated February 23, 2016
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
HORIZONS ETFs MANAGEMENT (CANADA) INC.
Project #2445917

Issuer Name:
Lydian International Limited
Principal Regulator - Ontario
Type and Date:
Third Amended and Restated Preliminary Short Form Prospectus dated February 25, 2016
NP 11-202 Receipt dated February 26, 2016
Offering Price and Description:
$ * - * Subscription Receipts, each representing the right to receive one Ordinary Share and three-quarters of one Ordinary Share Purchase Warrant
Price: $ * per Subscription Receipt
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
National Bank Financial Inc.
Sprott Private Wealth L.P.
Promoter(s):
-
Project #2427228

Issuer Name:
Noront Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 26, 2016
NP 11-202 Receipt dated February 26, 2016
Offering Price and Description:
Minimum $2,500,000 - Maximum $5,500,000
Up to 4,714,286 Units and Up to 8,555,556 Flow-Through Units
Price: $0.35 per Unit and Price: $0.45 per Flow-Through Unit
Underwriter(s) or Distributor(s):
SECUTOR CAPITAL MANAGEMENT CORPORATION
Promoter(s):
-
Project #2447879

Issuer Name:
Northern Dynasty Minerals Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Base Shelf Prospectus dated February 26, 2016
NP 11-202 Receipt dated February 26, 2016
Offering Price and Description:
$20,000,000.00
Common Shares
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2448258

Issuer Name:
Raging River Exploration Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 23, 2016
NP 11-202 Receipt dated February 23, 2016
Offering Price and Description:
$95,150,000.00 - 11,000,000 Common Shares
Price: $8.65 per Common Share
Underwriter(s) or Distributor(s):
FIRSTENERGY CAPITAL CORP.
PETERS & CO. LIMITED
NATIONAL BANK FINANCIAL INC.
CORMARK SECURITIES INC.
DESJARDINS SECURITIES INC.
DUNDEE SECURITIES LTD.
TD SECURITIES INC.
CIBC WORLD MARKETS INC.
GMP SECURITIES L.P.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
Promoter(s):
-
Project #2446007

Issuer Name:
Renaissance Canadian Equity Private Pool Class
Renaissance Emerging Markets Equity Private Pool Class
Renaissance Equity Income Private Pool Class
Renaissance Flexible Yield Fund
Renaissance Global Equity Private Pool
Renaissance Global Equity Private Pool Class
Renaissance International Equity Private Pool Class
Renaissance Multi-Asset Balanced Growth Private Pool Class
Renaissance Multi-Asset Global Balanced Income Private Pool
Renaissance Multi-Asset Global Balanced Private Pool
Renaissance Multi-Sector Fixed Income Private Pool
Renaissance Real Assets Private Pool
Renaissance U.S. Equity Private Pool Class
Renaissance Ultra Short Term Income Private Pool Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated February 22, 2016
NP 11-202 Receipt dated February 23, 2016
Offering Price and Description:
Premium Class, Premium-T4 Class, Premium-T6 Class, Class H-Premium, Class H-Premium T4, Class H-Premium T6, Class F-Premium, Class F-Premium T4, Class F-Premium T6, Class FH-Premium, Class FH-Premium T4, Class FH-Premium T6, Class N-Premium, Class N-Premium T4, Class N-Premium T6, Class NH-Premium, Class NH-Premium T4, Class NH-Premium T6, Class O, Class OH Class A, Class H, Class F, Class FH and Class S Units Premium Series, Premium-T4 Series, Premium-T6 Series, Series H-Premium, Series H-Premium T4, Series H-Premium T6, Series F-Premium, Series F-Premium T4, Series F-Premium T6, Series FH-Premium, Series FH-Premium T4, Series FH-Premium T6, Series N-Premium, Series N-Premium T4, Series N-Premium T6, Series NH-Premium, Series NH-Premium T4, Series S and Series NH-Premium T6 Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
CIBC Asset Management Inc.
Project #2446005

Issuer Name:
Silver Bullion Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated February 18, 2016
NP 11-202 Receipt dated February 24, 2016
Offering Price and Description:
ETF Non-Currency Hedged Units and ETF Currency Hedged Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2446221

Issuer Name:
Sprott 2016 Short Duration Flow-Through Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated February 24, 2016
NP 11-202 Receipt dated February 24, 2016
Offering Price and Description:
Maximum Offering: $20,000,000 - 800,000 Limited Partnership Units
Minimum Offering: $5,000,000 - 200,000 Units
Price per Unit: $25.00
Minimum Subscription: $5,000 (200 Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
GMP Securities L.P.
Raymond James Ltd.
Sprott Private Wealth L.P.
Canaccord Genuity Corp.
Dundee Securities Inc.
Manulife Securities Incorporated
Promoter(s):
Sprott 2016 Corporation
Project #2446347

Issuer Name:
Trevali Mining Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated February 29, 2016
NP 11-202 Receipt dated February 29, 2016
Offering Price and Description:
$* - * Common Shares
Price: $* per Common Share
Underwriter(s) or Distributor(s):
Dundee Securities Ltd.
Raymond James Ltd.
Scotia Capital Inc.
GMP Securities L.P.
Haywood Securities Inc.
Laurentian Bank Securities Inc.
Paradigm Capital Inc..
Promoter(s):
-
Project #2448956

Issuer Name:
Trillium Credit Card Trust II
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated February 26, 2016
NP 11-202 Receipt dated February 26, 2016
Offering Price and Description:
Up to $5,000,000,000.00 Credit Card Receivables-Backed Notes
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Promoter(s):
The Bank of Nova Scotia
Project #2447904

Issuer Name:
Whitecap Resources Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 29, 2016
NP 11-202 Receipt dated February 29, 2016
Offering Price and Description:
$95,013,000.00 - 13,770,000 Common Shares
Price $6.90 per Common Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
TD Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
GMP Securities L.P.
RBC Dominion Securities Inc.
FirstEnergy Capital Corp.
Peters & Co. Limited
BMO Nesbitt Burns Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #2446100

Issuer Name:
Algonquin Power & Utilities Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 22, 2016
NP 11-202 Receipt dated February 23, 2016
Offering Price and Description:
$1,000,000,000.00 - 5% Convertible Unsecured Subordinated Debentures represented by Instalment Receipts
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
DESJARDINS SECURITIES INC.
RAYMOND JAMES LTD.
J.P. MORGAN SECURITIES CANADA INC.
WELLS FARGO SECURITIES CANADA, LTD.
INDUSTRIAL ALLIANCE SECURITIES INC.
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
Promoter(s):
-
Project #2442267

Issuer Name:
Canoe 2016 Flow-Through LP - CDE Units
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated February 25, 2016
NP 11-202 Receipt dated February 26, 2016
Offering Price and Description:
Maximum – $40,000,000 - 1,600,000 CDE Units
Minimum – $2,500,000 - 100,000 CDE Units
Subscription Price – $25.00 per CDE Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Promoter(s):
Canoe 2016 General Partner Corp.
Canoe Financial LP
Project #2429807

Issuer Name:
Canoe 2016 Flow-Through LP - CEE Units
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated February 25, 2016
NP 11-202 Receipt dated February 26, 2016
Offering Price and Description:
Maximum Offering – $20,000,000 - 800,000 CEE Units
Minimum Offering – $2,500,000 - 100,000 CEE Units
Subscription Price – $25.00 per CEE Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Promoter(s):
Canoe 2016 General Partner Corp.
Canoe Financial LP
Project #2429808

Issuer Name:
Cenovus Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Base Shelf Prospectus dated February 24, 2016
NP 11-202 Receipt dated February 25, 2016
Offering Price and Description:
US$5,000,000,000.00 - Debt Securities, Common Shares, Preferred Shares, Subscription Receipts, Warrants, Share Purchase Contracts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2443049

Issuer Name:
Dynamic Alternative Yield Fund (Series A, E, F, FH, FI, H, I, IP, O and OP units)
Dynamic Alternative Yield Class (Series A, E, F, FH, FT, H, IP and T shares)
Dynamic Dividend Income Class (Series A, E, F, I, and O shares)
Dynamic Dividend Income Fund (Series A, F, G, I, O and T units)
Dynamic Dollar-Cost Averaging Fund (Series A and F units)
Dynamic High Yield Bond Fund (Series A, F, FH, FI, FP, G, H, I, O, OP and P units)
Dynamic Premium Yield Fund (Series A, E, F, FH, FI, H, I, IP and O units)
Dynamic Strategic Yield Class (Series A, E, F, FH, FI, FT, G, H, I, IT and T shares)
Dynamic Strategic Yield Fund (Series A, E, F, FH, FI, G, H, I and O units)
Principal Regulator - Ontario
Type and Date:
Amendment No. 3 dated February 10, 2016 (amendment no. 3) to the Simplified Prospectuses and Annual Information Form for the Dynamic Dollar-Cost Averaging Fund and Dynamic High Yield Bond Fund and to the Annual Information Form for the Dynamic Alternative Yield Fund, Dynamic Alternative Yield Class, Dynamic Dividend Income Class, Dynamic Dividend Income Fund, Dynamic Premium Yield
Fund, Dynamic Strategic Yield Class and Dynamic Strategic Yield Fund dated November 18, 2015.
NP 11-202 Receipt dated February 24, 2016
Offering Price and Description:
Series A, E, F, FH, FI, FP, G, H, I, IP, O, OP and P Units and Series A, E, F, FH, FI, FT, G, H, I, IT and T Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
GCIC Ltd.
1832 Asset Management L. P.
1832 AssetManagement L.P.
Promoter(s):
-
Project #2405037

Issuer Name:
Fidelity American Equity Fund
(Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2, Series P3, Series P4, Series P5, Series F5, Series P1T5, Series F8, Series O, Series T5, Series T8, Series S5, Series E1T5 and Series S8 units)
Fidelity Small Cap America Fund
(Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series E5, Series F, Series P1, Series P2, Series P3, Series P4, Series P5, Series F5, Series F8, Series O, Series T5, Series T8, Series S5, Series E1T5, Series S8 and Series P1T5 units)
Fidelity Global Disciplined Equity® Fund
(Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series E5, Series F, Series P1, Series P2, Series P3, Series O, Series T5, Series T8, Series S5, Series E1T5, Series S8 and Series P4 units)
Fidelity International Disciplined Equity® Fund
(Series A, Series B, Series E1, Series E2, Series F, Series P1, Series P2, Series O, Series T5, Series T8, Series S5 and Series S8 units)
Fidelity Global Telecommunications Fund
(Series A, Series B, Series E1, Series E2, Series F, Series P1, Series O and Series P2 units)
Fidelity NorthStar® Balanced Currency Neutral Fund
(Series A, Series B, Series E1, Series E2, Series F, Series P1, Series P2, Series T5, Series T8, Series S5, Series E1T5, Series S8, Series F5, Series F8 and Series P1T5 units)
Fidelity American Balanced Fund
(Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2, Series P3, Series P4, Series P5, Series F5, Series P1T5, Series P2T5, Series F8, Series O, Series T5, Series T8, Series S5, Series E1T5, Series E2T5 and Series S8 units)
Fidelity Global Balanced Portfolio
(Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series E5, Series F, Series P1, Series P2, Series P3, Series O, Series T5, Series T8, Series S5, Series E1T5, Series E2T5, Series S8, Series F5, Series P1T5, Series F8 and Series P4 units)
Fidelity ClearPath® 2025 Portfolio
(Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series E5, Series F, Series P1, Series O, Series P2 and Series P3 units)
Fidelity ClearPath® 2030 Portfolio
(Series A, Series B, Series E1, Series E2, Series F, Series P1, Series O and Series P2 units)
Fidelity Canadian Money Market Fund
(Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series C, Series D, Series F, Series P1, Series P2, Series O and Series P3 units)
Principal Regulator - Ontario
Type and Date:
Amendment No. 1 dated February 12, 2016 to the Amended and Restated Simplified Prospectuses dated December 16, 2015 and Amendment No. 2 dated February 12, 2016 to the Amended and Restated Annual Information Form dated December 16, 2015 (together with amendment no. 1, amendment no. 2), amending and restating the Simplified Prospectuses and Annual Information Form dated October 29, 2015
NP 11-202 Receipt dated February 23, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Fidelity Investments Canada ULC
Fidelity Investments Canadaz ULC
Fidelity Investments Canada Limited
Fidelity Investments Canada ULC
Promoter(s):
FIDELITY INVESTMENTS CANADA ULC
Project #2399033

Issuer Name:
First Asset Short Term Government Bond Index Class ETF
First Asset Global Momentum Class ETF
(formerly First Asset Global Momentum ETF)
First Asset Global Momentum (CAD hedged) Class ETF
(formerly First Asset Global Momentum (CAD hedged) ETF)
First Asset Global Value Class ETF
(formerly First Asset Global Value ETF)
First Asset Global Value (CAD hedged) Class ETF
(formerly First Asset Global Value (CAD hedged) ETF)
(non-cumulative, redeemable, non-voting classes of shares)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated February 23, 2016
NP 11-202 Receipt dated February 24, 2016
Offering Price and Description:
Non-cumulative, redeemable, non-voting classes of shares @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
First Asset Fund Corp.
First Asset Investment Management Inc.
Project #2436682

Issuer Name:
Horizons Auspice Managed Futures Index ETF
Horizons Gold Yield ETF
Horizons Natural Gas Yield ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated February 24, 2016
NP 11-202 Receipt dated February 24, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2437188

Issuer Name:
Horizons Auspice Managed Futures Index ETF
Horizons Gold Yield ETF
Horizons Natural Gas Yield ETF
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated February 24, 2016 to the Long Form Prospectus dated October 23, 2015
NP 11-202 Receipt dated February 26, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BlackRock Asset Management Canada Limited
Promoter(s):
-
Project #2399091

Issuer Name:
Maple Leaf Short Duration 2016 Flow-Through Limited Partnership - Quebec Class
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated February 24, 2016
NP 11-202 Receipt dated February 26, 2016
Offering Price and Description:
Maximum Offering - $10,000,000 - 400,000 Québec Class Units @$25 per Unit
Minimum Offering - $2,500,000 - 100,000 Québec Class Units @ $$25 per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
GMP Securiites L.P.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Industrial Alliance Securities Inc.
Dundee Securiites Ltd.
Global Securities Corporation
Laurentian Bank Securities Inc.
Promoter(s):
Maple Leaf Short Duration Holdings Ltd.
Maple Leaf Short Duration 2016 Flow-Through Management Corp.
Project #2430183

Issuer Name:
Nautilus Minerals Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated February 23, 2016
NP 11-202 Receipt dated February 23, 2016
Offering Price and Description:
$103,000,000.00 - OFFERING OF RIGHTS TO SUBSCRIBE FOR UP TO 686,666,666 COMMON SHARES
AT A PRICE OF $0.15 PER COMMON SHARE
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2442497

Issuer Name:
Roxgold Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 26, 2016
NP 11-202 Receipt dated February 29, 2016
Offering Price and Description:
$20,000,000.00 - 25,000,000 Common Shares $0.80 per Common Share
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
RAYMOND JAMES LTD.
RBC DOMINION SECURITIES INC.
CANACCORD GENUITY CORP.
HAYWOOD SECURITIES INC.
Promoter(s):
-
Project #2443397

Issuer Name:
Tuckamore Capital Management Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 24, 2016
NP 11-202 Receipt dated February 24, 2016
Offering Price and Description:
Offering of Rights to Subscribe for Up to $10,000,000.00 Aggregate Principal Amount of 10.00% Second Lien Secured Convertible Debentures due 2026
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2440572

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Highland Consulting Associates International, Inc.	Portfolio Manager	February 24, 2016
Change in Registration Category	NT Global Advisors, Inc./Conseillers Mondiaux NT	From: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer To: Commodity Trading Manager, Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	February 25, 2016
New Registration	Jesselton Capital Management Inc.	Investment Fund Manager and Exempt Market Dealer	February 25, 2016
New Registration	Liahona Capital Inc.	Exempt Market Dealer	February 24, 2016

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Aequitas Neo Exchange Inc. – Amendments to Trading Policies – Notice of Approval

AEQUITAS NEO EXCHANGE INC.

NOTICE OF APPROVAL

AMENDMENTS TO TRADING POLICIES

In accordance with the Process for the *Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, Aequitas NEO Exchange (NEO Exchange) filed, and the OSC approved amendments to the Trading Policies of NEO Exchange (the Amendments).

The Amendments relate to:

- revisions to closing call functionality;
- the addition of an odd lot trader concept;
- revisions to the definition of Latency Sensitive Trader;
- the addition of a definition of Opening Call;
- revisions to price band description; and
- clarification of mid-point functionality availability.

The Amendments were published for comment on January 7, 2016 for 30 days. No comments were received.

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