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1.1.1 The Investment Funds Practitioner – September 2016

OSC

THE INVESTMENT FUNDS PRACTITIONER

From the Investment Funds and Structured Products Branch, Ontario Securities Commission

WHAT IS THE INVESTMENT FUNDS PRACTITIONER?

The Practitioner is an overview of recent issues arising from applications for discretionary relief, prospectuses, and continuous disclosure documents that investment funds file with the OSC. It is intended to assist investment fund managers and their staff or advisors who regularly prepare public disclosure documents and applications for exemptive relief on behalf of investment funds.

The Practitioner is also intended to make you more broadly aware of some of the issues we have raised in connection with our reviews of documents filed with us and how we have resolved them. We hope that fund managers and their advisors will find this information useful and that the Practitioner can serve as a useful resource when preparing applications and disclosure documents.

The information contained in the Practitioner is based on particular factual circumstances. Outcomes may differ as facts change or as regulatory approaches evolve. We will continue to assess each case on its own merits.

The Practitioner has been prepared by staff of the Investment Funds and Structured Products Branch and the views it expresses do not necessarily reflect the views of the Commission or the Canadian Securities Administrators.

REQUEST FOR FEEDBACK

This is the 17th edition of the Practitioner. Previous editions of the Practitioner are available on the OSC website www.osc.gov.on.ca under *Investment Funds & Structured Products* on the *Industry* tab. We welcome your feedback and any suggestions for topics that you would like us to cover in future editions. Please forward your comments by email to *investmentfunds@osc.gov.on.ca*.

ANNOUNCEMENTS

Stakeholder Outreach

Staff have in the past encouraged filers to meet with us in advance of planning novel/complex transactions. We continue to encourage you to speak with us in these instances, and to speak with us about trends, challenges and innovations in the industry from your point of view. Staff are also always interested in learning more about your business operations, history, current structure, culture and short and long-term goals.

To that end, we invite stakeholders to propose a meeting with us that includes an educational session and an opportunity for questions and informal discussion. We would like to meet with investment managers of all sizes, independent review committees and key service providers, such as portfolio managers, custodians, auditors, and other third-party service providers. We also welcome feedback from investors and investor advocates.

If you are interested in meeting with us, please contact John Mountain, Director, Investment Funds and Structured Products Branch, at jmountain@osc.gov.on.ca.

REPORTS

Publication of Final Harmonized Report of Exempt Distribution

On April 7, 2016, the OSC published final amendments to introduce a new, harmonized report of exempt distribution (the New Report). The New Report came into force on June 30, 2016 in all CSA jurisdictions and applies to issuers and underwriters who rely on certain prospectus exemptions to distribute securities.

The New Report introduces additional disclosure requirements for investment fund issuers, such as disclosure of the National Registration Database (NRD) number for the investment fund manager, general type of investment fund, size of the investment fund and net proceeds to the investment fund. The filing deadline for investment fund issuers that file annually has changed from financial year-end annual reporting to calendar year-end annual reporting. There is a transition period available to the New Report for investment fund issuers that file on an annual basis. Please refer to Annex H – *Transition to the New Report* of the CSA Notice of Amendments to National Instrument 45-106 *Prospectus Exemptions* relating to Reports of Exempt Distribution for more information.

CSA Staff Notice 45-308 (Revised) *Guidance for Preparing and Filing Reports of Exempt Distribution*, provides additional guidance on completing and filing the New Report including the transition periods available and the applicable deadlines in Table 2 to Annex 4.

PROSPECTUSES

Investment Funds Offering Currency Hedged Class or Series

Staff have observed recent developments in how a class or series of an investment fund is established for the purpose of employing currency hedging strategies (the Hedged Series).

Under subsection 1.3(1) of National Instrument 81-102 *Investment Funds* (NI 81-102), each class or series of an investment fund that is referable to a separate portfolio of assets is considered to be a separate fund. As gains and losses associated with Hedged Series derivatives used to deliver currency hedging are referable only to the Hedged Series and not to all classes or series of the fund, the Hedged Series portfolio may differ from that of other series offered by the fund. Historically, fund managers have offered Hedged Series to provide this attribute to investors in the fund in order to allow for greater operational efficiency. This practice has been based on expectations that fund managers:

(i) have systems in place to accurately track the currency hedging instruments used in a Hedged Series, separate from the other class or series of the fund,

(ii) properly apportion currency hedging costs to a Hedged Series, and

(iii) have structured a Hedged Series such that investors understand the features and performance of the Hedged Series versus the other classes or series of the fund.

While staff's acceptance of the Hedged Series was historically based on the expectation that the Hedged Series would hedge all or substantially all of the foreign currency exposure associated with the investment fund's portfolio, recently we have seen some variations on this concept. For example, we have seen a Hedged Series employing discretionary currency hedging where a portfolio manager hedges anywhere from 0% to 100% of the Hedged Series' foreign currency exposure. In such circumstances, staff question whether it continues to be appropriate to consider the Hedged Series to not be a separate investment fund. Other variations that could result in different series having differing levels of discretionary currency hedging also cause us to question the appropriateness of this structure. Accordingly, we may raise comments during our prospectus reviews with a view to better understanding how these concerns are addressed.

Also, in giving further consideration to this type of structure, staff are concerned that, as currency hedging is typically not disclosed as part of the investment objectives of an investment fund that offers a Hedged Series, the manager may take the view that it can change or eliminate the currency hedging employed by the Hedged Series without securityholder approval. Staff, however, take the view that currency hedging is an essential aspect of a Hedged Series, which may be further bolstered by the name of the Hedged Series, or the manner in which the Hedged Series is marketed.

Accordingly, staff will request, as part of our prospectus reviews, that a fund that has a Hedged Series include in its prospectus disclosure that prior approval of securityholders of the Hedged Series will be obtained before the currency hedging strategy of the Hedged Series is changed. This will ensure that securityholders who purchased the Hedged Series for the purpose of obtaining currency hedging are given an opportunity to vote on any changes to this fundamental aspect of their securities.

Staff will continue to review and monitor developments with respect to currency hedging strategies employed by investment funds and will consider whether additional guidance or rule-making is needed in this area. Filers are encouraged to consult with staff in structuring classes or series of securities that may give rise to these issues.

APPLICATIONS

Disclosing Tax Consequences of Fundamental Changes

Certain proposed fundamental changes to an investment fund, such as a proposed merger of funds or a proposed change in the investment objectives of a fund, may have tax consequences for the funds involved and their investors. In recent reviews, staff have raised questions about the adequacy of the disclosure of these potential tax consequences in the related information circular.

In staff's view, managers are in the best position to analyze and provide information as to the overall tax impact of a proposed change on the fund and investors in the fund. We appreciate that the manager's analysis is based on prevailing conditions and may change as conditions change. However, in staff's view, the potential for changing conditions may be addressed in the disclosure and does not preclude providing meaningful disclosure about the various potential tax consequences of the proposed change for the various types of investors in the fund.

To inform the investor's decision on the proposed change and avoid misleading investors, staff's view is that the disclosure in the information circular should provide a balanced discussion of the potential tax consequences of the change. For example, some fund mergers are effected on a "tax-deferred" rollover basis, but only after a portion of the terminating fund's portfolio has been liquidated before the merger. In circumstances where this pre-merger liquidation is expected to result in distributions for taxable investors, staff's view is that the information circular could mislead investors if it describes the merger as tax-deferred without also disclosing the expected tax consequences of the pre-merger liquidation, i.e. distributions for taxable investors.

Staff note that section 5.6 of NI 81-102 requires that the materials sent to investors in connection with a proposed merger include a circular that describes, amongst other things, the income tax considerations for the funds participating in the transaction and their investors. However, other types of fundamental changes may result in tax consequences for investors as well. For example, a proposed change in investment objectives could involve liquidations of portfolio securities expected to result in distributions for taxable investors. Staff view tax consequences arising from a fundamental change to be relevant information for investors. As such, our view is that the circular provided to investors in connection with a fundamental change should describe the income tax considerations for the funds participating in the transaction and provide sufficient detail to enable reasonable investors to make an informed decision.

Staff also expect that, when referring a proposed fundamental change to the IRC for its approval or recommendation, the investment fund manager would provide the IRC with the manager's analysis of the expected overall tax impact of the change on the fund and investors in the fund, so that the IRC may consider whether the proposed fundamental change, in its entirety, meets the standard for IRC approval or recommendation as set out in subsection 5.2(2) or subparagraph 5.3(1)(a) of National Instrument 81-107 *Independent Review Committee for Investment Funds*, as appropriate.

CONTINUOUS DISCLOSURE

Review of Fund-of-Funds Disclosure of Fees and Expenses

Last year, staff commenced an issue-oriented continuous disclosure review focused on the disclosure of fees and expenses for fund-of-funds. Our review had the following objectives:

- to determine whether the calculation of the management expense ratio (MER) and the trading expense ratio (TER) for fund-of-funds includes the expenses of underlying funds in compliance with National Instrument 81-106 *Investment Fund Continuous Disclosure*,
- to review fund manager policies and procedures regarding the prohibition on the duplication of fees for funds that invest in underlying funds, and
- to assess whether the disclosure about fees and expenses for funds that invest in underlying funds is clear and transparent.

Our review included 29 investment funds managed by 16 fund managers, consisting of conventional mutual funds, exchange-traded funds (ETFs) as well as pooled funds.

The main findings from our review are:

1. MER and TER Calculations

We found that a number of top funds that invest in underlying ETFs did not include the expenses of the ETFs in the calculation of MER and/or TER. Many of these top funds disclosed MERs and TERs that were materially understated. This resulted in re-filings of their management reports of fund performance to correct the MER and/or TER.

We remind fund managers to "look-through" the expenses in fund-of-funds when calculating the MER and the TER for top funds, including top funds that invest in third party conventional mutual funds and ETFs. Fund managers should use reasonable estimates when determining the expenses of underlying funds managed by third parties.

2. Duplication of Fees

Our review confirmed that fund managers generally have policies and procedures in place to ensure that there is no duplication of fees in fund-of-funds. We observed that top funds generally invest in a series of securities of affiliated mutual funds that do not have management fees or performance fees. However, we also observed top funds that invest in underlying funds with management fees and/or performance fees.

3. Prospectus Disclosure

For top funds with investment objectives to invest in underlying funds, we have seen prospectus disclosure of a minimal management fee even though the underlying funds have higher management fees. Staff are concerned that the management fee disclosure provided by top funds, particularly for new funds without historical MERs, may be misleading if there is no prospectus disclosure explaining that the underlying funds may have higher management fees. Staff expect the top fund to provide sufficient disclosure to clearly explain the impact of the expected management fees of the underlying funds on the top fund's MER.

Liquidity Risk Management

Staff continue to assess whether our rules and guidance remain up-to-date and responsive to industry trends and market developments. In the past, staff have conducted reviews focused on the potential mismatch between the redemption terms of funds and liquidity of the underlying fund assets. On June 25, 2015, staff published OSC Staff Notice 81-727 *Report on Staff's Continuous Disclosure Review of Mutual Fund Practices Relating to Portfolio Liquidity* (Staff Notice), which provided our observations and recommendations concerning industry liquidity risk management practices in place at the time. We encourage market participants to review the contents and use the guidance provided in the Staff Notice.

Staff continue to monitor global research and recommendations on the issue of liquidity risk management, including the recent consultation by the Financial Stability Board (FSB) entitled "Proposed Policy Recommendations to Address Structural Vulnerabilities from Asset Management Activities" published on June 22, 2016. Staff will also monitor the recommendations from the International Organization of Securities Commission (IOSCO) and Securities and Exchange Commission (SEC) concerning liquidity risk management in the coming months and respond to such recommendations. In addition to monitoring international and domestic developments, staff will seek to engage the investment fund stakeholders in constructive dialogue on the potential for guidance or reforms that may strengthen the ability of, and provide more tools for, investment funds to better manage liquidity risks.

PROCESS MATTERS

Materials to be Filed with Exemptive Relief Applications

Staff continue to see applications that are incomplete, which may delay staff's ability to review them, and in some cases, to even start the review. Filers should keep the following in mind when filing an exemptive relief application:

- ***Reference most recent previous decisions***

While previous decisions granted are not determinative, staff regularly compare applications to prior applications and are expected to explain to the decision maker how the application differs. The more recent the similar previous decision, the more likely it is reflective of the Commission's current view regarding the type of relief requested. An application should not only reference similar previous decisions that support granting the relief requested as contemplated by Part 5 of National Policy 11-203 (NP 11-203), but also should reference the most recent similar previous decisions.

- ***Address material similarities/differences***

The application should explain how the previous decisions referenced support granting the relief requested and address materially different key facts. Filers may wish to consider contacting staff if there is any question about whether particular facts are key, since a material difference in key facts may constitute a novel aspect of the application and impact the timing for review and outcome of the application.

- ***Provide adequate description of the facts***

The application should set out the specific provision from which relief is requested, the specific facts that trigger the application of that provision and an explanation of how those facts trigger that provision.

- ***Provide adequate and tailored submissions***

The application should set out submissions that make the case for the relief requested and form the basis on which staff can recommend the requested relief to the decision maker on the applicant's specific facts.

Filers should refer to the relevant legislative test that provides the decision maker with the jurisdiction to grant the requested relief and provide submissions that demonstrate how the test is met. For example, an application for relief from the conflicts of interest provisions in section 111 of the *Securities Act* (Ontario) (the Act) should provide submissions that demonstrate, rather than merely state, that the proposed investment represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the investment fund, or is in fact in the best interests of the investment fund as contemplated by section 113 of the Act.

In determining whether or not we can recommend the requested relief staff refer to the legislative test and consider the policy reasons for granting the relief (for example, whether the relief would promote market efficiency without prejudicing investors) and what key facts or other key elements of the application satisfy the policy reasons. Staff typically look for submissions that clearly describe the business necessity for the relief and the benefit to investors.

- ***Provide tailored draft decision***

Applications should provide a draft form of decision with relevant representations and proposed conditions for the requested relief, which are specific to the facts of the application. The form of decision should follow Annex A, B, C or D of NP 11-203, as appropriate.

- ***Timing***

As set out in section 5.2(5) of NP 11-203, filers should file application materials sufficiently in advance of any deadline to ensure that staff have a reasonable opportunity to complete the review and make recommendations for a decision. Applications for novel relief may take longer than the OSC's 40 business day service standard as, for example, the passport policy requires certain additional steps to take place, such as consultation with the other CSA jurisdictions.

INDEPENDENT REVIEW COMMITTEES (IRCs)

IRC Reporting under Section 4.5 of NI 81-107

Staff have received inquiries about whether a materiality threshold applies to the reporting requirement on Independent Review Committees (IRCs) pursuant to section 4.5 of National Instrument 81-107 *Independent Review Committee for Investment Funds* (NI 81-107).

Section 4.5 of NI 81-107 requires an IRC to provide written notice to the principal regulator when the IRC becomes aware of any instance in which the fund manager acted in certain conflict of interest matters[1] but did not comply with *a condition imposed by securities legislation or any IRC approval*. A similar requirement has also been included in exemptive relief decisions granting relief from the conflict prohibitions to permit, for example, interfund trading involving pooled funds or pooled fund purchases of securities of related issuers. Staff were recently asked whether IRCs who become aware of a breach of this type of condition are still required to notify the fund's principal regulator if the IRC or the fund manager consider the breach to be, in their view, 'inconsequential' or 'immaterial' to the fund or its securityholders.

Staff's view is that a materiality threshold should not be applied to the IRC's reporting requirement under section 4.5 of NI 81-107 or the mirrored requirement in exemptive relief decisions. If an IRC becomes aware of any instance involving a breach of

[1] The three conflict of interest matters are set out in subection 5.2(1) of NI 81-102, namely (i) interfund trading (ii) purchases of securities of a related issuer and (iii) investment in securities offerings underwritten by a related party.

condition imposed by securities legislation or IRC approval concerning conflict of interest matters, it is required to report it to the fund's principal regulator. Staff understand that, in the IRC or the fund manager's view, the consequence of the breach may not be material, but the reporting obligation enables staff to know why the compliance procedures of the fund manager may not have worked and how the fund manager proposes to avoid similar breaches in the future.

Staff expect the letter reporting such instances to come from the Chair of the IRC and to discuss (i) the circumstances and facts leading to the breach of condition, (ii) factors relevant to the IRC's consideration of the matter, (iii) how the breach was remedied, (iv) whether the IRC is satisfied with the fund manager's handling of the matter, and (v) how the fund manager plans to avoid similar instances in the future. Staff also remind IRCs of the requirement in section 4.4(1)(h) of NI 81-107 to disclose such instances in the IRC Report to Securityholders that is prepared annually for investment funds that are reporting issuers.

STRUCTURED PRODUCTS

Frequently Asked Questions – Structured Notes Distributed Under the Shelf Prospectus System

In January 2015, CSA staff published CSA Staff Notice 44-305 – 2015 *Update – Structured Notes Distributed Under the Shelf Prospectus System* (the Notice) to provide further guidance regarding disclosure that issuers should consider in offering documents for structured notes. Since that time, we have received several questions with respect to the Notice to which we wish to respond as well as discuss some other issues. Our responses to these questions are set out in the attached Appendix.

APPENDIX

Frequently Asked Questions and Other Issues concerning Structured Notes

Q: *Can I use the term "estimated value" of the note as opposed to the "estimated fair value"?*

A: We received some questions regarding whether issuers may refer to the "estimated value" of a note as opposed to the term "estimated fair value" which we used in the Notice. Our primary objective in the Notice was to encourage issuers to be more transparent regarding the estimated value of the notes which they internally prepared and the potential profit to be made on a note, but not mandate specifically how the estimates should be calculated or to impose specific fair value accounting concepts. We believe this approach to be consistent with the approach taken in the U.S. by the Securities and Exchange Commission (SEC). We leave it to issuers to decide which term they are more comfortable using when disclosing their estimates.

Q: *What discount rate should I use when estimating the value of a zero coupon bond?*

A: We received questions regarding whether there was a staff view on which discount rate issuers should use for the valuation of the zero coupon bond that issuers partially hedge their exposure under the notes with. As discussed above, staff did not express a view in the Notice regarding specifically how estimates should be prepared. As such, issuers should continue to use the reasonably selected discount rate they have been using. We expect, however, that issuers will disclose what discount rate they have used and why.

Q: *Can I include contingent costs in my estimate of a note's value?*

A: It is our understanding that industry practice is not to include contingent costs in the estimate of a note's value. The estimate is generally based upon the valuation of the note's bond and derivative components. If an issuer does choose to include contingent costs, we expect it to disclose what contingent costs are included and why those costs are included in the calculation.

Q: *Can I disclose a straight line depreciation of the difference between the note's issue price and its estimated value or fair value?*

A: It is our understanding that industry practice is not to disclose a straight line depreciation of the difference between the issue price of the notes and their estimated fair value. Also, in our view, this information may be of limited assistance and cannot fairly be compared against annual management fees investors must pay in connection with other investment products such as mutual funds.

Q: *Where on the cover page should I disclose the note's estimated value or estimated fair value?*

A: We encourage issuers to include the disclosure on the first page of the pricing supplement in a prominent location or, if formatting is an issue, in the introductory paragraph that immediately follows the description of the notes offered.

Q: *How should I disclose the estimated value or fair value for Delta-1 notes?*

A: In instances where banks offer notes that are linked to a particular strategy, usually a quantitative model, and that have no derivative component that either boosts the return, calls the note or provides some downside protection, there may not be an embedded profit in their offering price. As such, the fair value estimate is typically the offering price minus the dealer costs. In instances where banks are offering such notes, we ask for additional disclosure to be included in the paragraph on the cover page that discloses the fair value estimate. We have requested that the additional disclosure be bolded and state that the estimated value or fair value does not include the other fees (i.e. management fee, withholding taxes, etc.) that will be charged to the notional portfolio over the term of the notes and reference the fees and expenses section in the pricing supplement.

Q: *What disclosure is expected to explain why the estimated value may be different than the price at which an investor can sell the note in the secondary market?*

A: As noted in section 1.1 of the Notice, issuers are expected to include an explanation as to why the estimated value of the note and the initial secondary market price will differ (the Delta). In order to satisfy this disclosure expectation, the disclosure should focus on the Delta immediately once the note is issued rather than the Delta once time elapses and market forces affect the note's price.

Q: *Should I disclose the note's estimated value or fair value in the note's marketing documents?*

A: Staff note that the marketing documents that are typically used to sell notes often do not include disclosure of the estimated value or fair value of the notes. We encourage issuers to include the disclosure of the estimated value or fair value and a brief explanation of its meaning in marketing materials going forward.

OTHER ISSUES

Hedging Activities

UBS Settlement and market price movements as a result of hedging activities by the issuer

Staff are aware that some issuers may hedge the liability under their notes sold by purchasing and/or selling the reference asset in the market. Staff are concerned that such hedging activity, if conducted prior to the notes notionally buying/selling those same reference assets, could, in some instances, materially affect the notional purchase or selling price that is used in calculating the return on the notes. This could be of particular concern when the reference asset is thinly traded or illiquid.

We encourage issuers to review the settlement agreement entered into between UBS and the SEC[2] and consider whether they have adequate systems and procedures in place to help ensure:

- their hedging activities do not have a material adverse impact on the value of the note's return,
- the value of the different inputs that comprise the return on the note are derived as objectively as possible, and
- all relevant costs associated with the note are adequately disclosed.

Pre-Clearance Process

Staff remind filers that, in order to expedite the pre-clearance process, to please include in the accompanying pre-clearance cover letter the information noted section 3.2 of the Notice. Failure to do so may substantially delay staff's review.

Fees

Staff remind filers to ensure that the $500 fee required for the filing of a prospectus supplement in relation to a specified derivative (as noted in Appendix C to OSC Rule 13-502 – *Fees*) is paid in connection with each new (i.e. not amended) pricing supplement filing. Staff conducted an audit of the fees paid and found some deficiencies.

[2] See: https://www.sec.gov/litigation/admin/2015/33-9961.pdf

1.1.2 CSA Staff Notice 31-346 – Guidance as to the Scope of the International Dealer Exemption in relation to Foreign-Currency Fixed Income Offerings by Canadian Issuers

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Staff Notice 31-346
Guidance as to the Scope of the International Dealer Exemption in relation to Foreign-Currency Fixed Income Offerings by Canadian Issuers

September 1, 2016

Purpose of this Notice

Staff (**staff** or **we**) of the Canadian Securities Administrators (the **CSA**) have issued this notice (the **Notice**)

- to highlight the CSA's consideration of concerns raised by Canadian institutional investors over reduced access to international dealers to trade foreign-currency-denominated fixed income securities issued by Canadian issuers;
- to clarify the scope of the international dealer exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) in relation to trades in foreign-currency-denominated fixed income securities of Canadian issuers; and
- to outline the circumstances in which staff would be prepared to recommend exemptive relief to facilitate greater access to global fixed income markets by Canadian issuers and Canadian institutional investors.

The CSA are aware of reports by some market participants of a perceived decline in liquidity in the Canadian fixed income markets, and understand that some market participants have suggested that recent changes in the securities regulatory regime in Canada may have contributed to this perceived decline. Accordingly, we are publishing this guidance to clarify the scope of the international dealer exemption in NI 31-103 and to confirm staff's willingness to support exemptive relief, if required, to facilitate access to global fixed income markets by Canadian issuers and Canadian institutional investors.

Background

The CSA, in consultation with the Bank of Canada, the Investment Industry Regulatory Organization of Canada (**IIROC**) and other stakeholders, have been monitoring a number of potential financial system vulnerabilities in Canada, including reports of a perception by some market participants of a decline in liquidity in the Canadian fixed income markets.[1]

In addition, the CSA are participating in work being conducted by the International Organization of Securities Commissions (**IOSCO**) with a view to examining the state of liquidity in global fixed income markets. Specifically, as reported in the IOSCO report entitled *Examination of Liquidity of the Secondary Corporate Bond Markets*, IOSCO did not find substantial evidence showing that liquidity in these markets has deteriorated markedly from historic norms for non-crisis periods. Its conclusions were based on a detailed analysis of liquidity metrics, survey results from industry and regulators, roundtables with industry, and a review of academic, government and other research articles.[2]

The CSA have also been consulting with a number of stakeholders, including representatives from the Canadian Bond Investors' Association (the **CBIA**), over concerns that recent actions taken by certain foreign dealers in relation to their participation in fixed income markets may have affected the ability of Canadian institutional investors to trade foreign-currency-denominated debt securities of Canadian issuers in global fixed income markets.[3]

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1 See, e.g., the Bank of Canada's Financial System Review (June 2016) at pp. 15-16, available at http://www.bankofcanada.ca/wp-content/uploads/2016/06/fsr-june2016.pdf.

2 The 2016 Liquidity Report was published on August 5, 2016 and is available at https://www.iosco.org/library/pubdocs/pdf/IOSCOPD537.pdf.

3 We understand that stakeholders have also expressed a concern regarding reports of exempt distribution required under National Instrument 45-106 *Prospectus Exemptions*. These concerns are being considered separately by the CSA.

We are sensitive to the concerns that a reduction in market liquidity can increase the costs and risks to Canadian asset managers and other institutional investors in terms of complying with their mandates, and to corporate and other debt issuers in obtaining necessary financing.

We are publishing this guidance to address any misperceptions that may exist in relation to the scope of the international dealer exemption in NI 31-103 and to confirm our willingness to support exemptive relief to facilitate access to global fixed income markets by Canadian issuers and Canadian institutional investors.

Recent changes in market practice

We understand that a number of international dealers have recently advised their Canadian institutional clients that they are unable to trade debt securities of Canadian issuers with Canadian clients due to recent changes in the securities regulatory regime in Canada. While in some cases the Canadian investment dealer affiliates of these firms are able to conduct this trading with the Canadian institutional clients, in other cases, the investment dealer affiliates may be unable to offer a comparable level of access to global fixed income markets.

As a result of these developments, a number of stakeholders have expressed concern that Canadian institutional investors, including Canadian pension funds, investment funds, and other asset managers, are facing difficulties in being able to invest in certain debt offerings of Canadian issuers, such as U.S.-dollar-denominated debt offerings that are offered primarily outside of Canada, and are therefore placed at a competitive disadvantage to their international peers.

Clarification of the scope of the international dealer exemption

Subsection 8.18(2)(b) of NI 31-103 provides that, subject to certain conditions,[4] the dealer registration requirement does not apply in respect of "a trade in a debt security with a permitted client[5] during the security's distribution, if the debt security is offered primarily in a foreign jurisdiction and a prospectus has not been filed with a Canadian securities regulatory authority for the distribution".

Accordingly, an international dealer that meets the relevant conditions may trade debt securities of any issuers, including foreign-currency-denominated fixed income securities offered by Canadian corporate and governmental issuers, with Canadian institutional investors at the time of the offering of the securities if the offering is made primarily outside of Canada and the issuer has not filed a prospectus in Canada in connection with the offering.

We acknowledge that the international dealer exemption does not explicitly address the question of the resale of or secondary trading in such securities by Canadian institutional investors, whether to another institutional investor in Canada or to a person or company outside of Canada.

Staff do not believe there is a policy reason to limit the exemption in subsection 8.18(2)(b) to trades that occur during the initial period of the securities' distribution or to conclude that an international dealer should be permitted to sell a debt security to a Canadian institutional investor but not be permitted to act for the institutional investor in connection with the resale of the security. However, we acknowledge that concerns over the current drafting may be affecting the willingness of international dealers to participate in Canadian fixed income offerings denominated in a foreign currency on behalf of Canadian institutional clients.

Accordingly, staff are publishing this guidance to confirm that staff are prepared to recommend exemptive relief to permit international dealers to deal with institutional investors to facilitate resales of such debt securities, whether to another institutional investor in Canada or to a person or company outside of Canada, provided such debt securities are not listed, quoted or traded on a marketplace in Canada, subject to conditions the CSA consider appropriate.

We also acknowledge that there may be circumstances where, at the time of a resale of a debt security, it is difficult to determine whether the debt security was originally offered as part of an offering that was made primarily in a foreign jurisdiction and whether a prospectus was filed in Canada in connection with such offering. We are in discussions with stakeholders with a view to confirming the extent to which this issue exists and will consider recommending exemptive relief to address this concern if necessary.

[4] These conditions generally require the international dealer to have its head office or principal place of business in a foreign jurisdiction, to be registered as a dealer in the foreign jurisdiction, to trade only with issuers of securities or permitted clients, to make a submission to jurisdiction and appointment of agent filing, and to provide certain risk disclosures to the permitted client relating to its status as an international dealer.

[5] The term "permitted client" is defined in section 1.1 of NI 31-103 and generally refers to various types of institutional investors.

Staff may recommend an amendment to the international dealer exemption to address these concerns in the context of pending amendments to NI 31-103. Pending such amendment, staff in certain jurisdictions may also recommend that these concerns be addressed through a blanket order. If you have any comments, please direct them to the staff listed below.

Questions

If you have questions regarding this Notice, please refer them to any of the following:

Isaac Filate
Senior Legal Counsel
Capital Markets Regulation
British Columbia Securities Commission
604-899-6573
1-800-373-6393
ifilate@bcsc.bc.ca

Navdeep Gill
Manager, Registration
Alberta Securities Commission
403-355-9043
navdeep.gill@asc.ca

Liz Kutarna
Deputy Director, Capital Markets
Securities Division
Financial and Consumer Affairs Authority of Saskatchewan
306-787-5871
liz.kutarna@gov.sk.ca

Chris Besko
Director, General Counsel
The Manitoba Securities Commission
204-945-2561 and 1-800-655-5244
(Toll Free (Manitoba only))
chris.besko@gov.mb.ca

Paul Hayward
Senior Legal Counsel
Compliance and Registrant Regulation
Ontario Securities Commission
416-593-8288
phayward@osc.gov.on.ca

Noémie C. Girard
Policy Adviser, Supervision of Intermediaries
Autorité des marchés financiers
418-525-0337, ext. 4806
noemie.corneau-girard@lautorite.qc.ca

Brian W. Murphy
Deputy Director, Capital Markets
Nova Scotia Securities Commission
902-424-4592
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jason.alcorn@fcnb.ca

Steven Dowling
Acting Director
Consumer, Labour and Financial Services Division
Justice and Public Safety
Government of Prince Edward Island
902-368-4551
sddowling@gov.pe.ca

John O'Brien
Superintendent of Securities
Service NL
Government of Newfoundland and Labrador
709-729-4909
johnobrien@gov.nl.ca

Jeff Mason
Director of Legal Registries
Department of Justice, Government of Nunavut
867-975-6591
jmason@gov.nu.ca

Thomas Hall
Superintendent of Securities
Department of Justice
Government of the Northwest Territories
867-767-9305
tom_hall@gov.nt.ca

Rhonda Horte
Deputy Superintendent
Office of the Yukon Superintendent of Securities
867-667-5466
rhonda.horte@gov.yk.ca

1.5 Notices from the Office of the Secretary

1.5.1 Douglas John Vermeeren

FOR IMMEDIATE RELEASE
August 29, 2016

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

AND

IN THE MATTER OF
DOUGLAS JOHN VERMEEREN

TORONTO – The Commission issued an Order pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above noted matter.

A copy of the Order dated August 29, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
ROBERT BLAIR
ACTING SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.2 Blue Gold Holdings Ltd. et al.

FOR IMMEDIATE RELEASE
August 30, 2016

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

AND

IN THE MATTER OF
BLUE GOLD HOLDINGS LTD.,
DEREK BLACKBURN, RAJ KURICHH
AND NIGEL GREENING

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

1. Staff shall serve and file Staff's written submissions on sanctions and costs by September 9, 2016;

2. The Respondents shall serve and file their responding written submissions on sanctions and costs by October 7, 2016;

3. Staff shall serve and file Staff's reply submissions, if any, by October 21, 2016;

4. The hearing to determine sanctions and costs will be held at the offices of the Commission at 20 Queen Street West, Toronto, Ontario, on Friday, November 4, 2016, at 10:00 a.m.; and

5. In the event of the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and the party is not entitled to any further notice of the proceeding.

A copy of the Order dated August 29, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
ROBERT BLAIR
ACTING SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.3 The Falls Capital Corp. et al.

FOR IMMEDIATE RELEASE
August 30, 2016

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

AND

IN THE MATTER OF
THE FALLS CAPITAL CORP.,
DEERCREST CONSTRUCTION FUND INC.,
WEST KARMA LTD. and
RODNEY JACK WHARRAM

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 written materials shall be served and filed no later than September 8, 2016;

3. The Respondents' responding written materials, if any, shall be served and filed no later than October 6, 2016; and

4. Staff's reply written materials, if applicable, shall be served and filed no later than October 20, 2016.

A copy of the Order dated August 29, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
ROBERT BLAIR
ACTING SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.4 Waverley Corporate Financial Services Ltd. and Donald McDonald

FOR IMMEDIATE RELEASE
August 30, 2016

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

AND

IN THE MATTER OF
WAVERLEY CORPORATE FINANCIAL SERVICES LTD.
AND DONALD MCDONALD

TORONTO – The Commission issued an Order in the above named matter.

A copy of the Order dated August 26, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
ROBERT BLAIR
ACTING SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Northwest & Ethical Investments L.P. and NEI Northwest Enhanced Yield Equity Corporate Class

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund merger – approval required because merger does not meet the criteria for pre-approval reorganizations and transfers under National Instrument 81-102 Investment Funds – a reasonable person may not consider the merger to have substantially similar investment objectives – merger to otherwise comply with pre-approval criteria, including securityholder approval – investors of terminating fund provided with timely disclosure regarding the merger.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b), 19.1.

August 15, 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
NORTHWEST & ETHICAL INVESTMENTS L.P.
(the Manager)

AND

NEI NORTHWEST ENHANCED YIELD EQUITY CORPORATE CLASS
(the Terminating Fund and together with the Manager, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager on behalf of the Terminating Fund for a decision under the securities legislation of the Jurisdiction for approval pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) of the proposed merger (the **Merger**) of the Terminating Fund into the Continuing Fund (defined below) (the **Approval Sought**).

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

(a) the Ontario Securities Commission is the principal regulator (the **Principal Regulator**) for this Application; and

(b) the Manager 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 each of the provinces and territories of Canada, other than the province of Ontario (the **Other** Jurisdictions).

Interpretation

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

Continuing Fund means NEI Northwest Canadian Dividend Corporate Class;

Funds means the Terminating Fund and the Continuing Fund, collectively;

Underlying Fund means NEI Northwest Canadian Dividend Fund.

Representations

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

The Manager

1. The Manager is a corporation governed by the laws of the province of Ontario with its head office in Toronto, Ontario.

2. The Manager is the investment fund manager of the Funds and is registered as an investment fund manager in Ontario, British Columbia, Newfoundland and Labrador and Québec, as a portfolio manager in Ontario and an exempt market dealer in Ontario, British Columbia, Québec and Saskatchewan.

The Funds

3. The Funds are separate classes of securities of Northwest Corporate Class Inc. (the **Corporation**), a mutual fund corporation governed under the laws of the province of Ontario.

4. Securities of the Funds are currently qualified for sale under a simplified prospectus, annual information form and fund facts each dated June 10, 2016 (collectively, the **Offering Documents**).

5. Each of the Funds is a reporting issuer under the applicable securities legislation of the province of Ontario and the Other Jurisdictions (the **Legislation**).

6. Neither the Manager nor the Funds is in default under the Legislation.

7. Other than circumstances in which the securities regulatory authority of a province or territory of Canada has expressly exempted a Fund therefrom, each of the Funds follows the standard investment restrictions and practices established under NI 81-102.

8. The net asset value for each series of the Funds, as applicable, is calculated on a daily basis in accordance with the Funds' valuation policy and as described in the Offering Documents.

9. NEI Northwest Canadian Dividend Corporate Class (the **Continuing Fund**) employs a fund-of-fund structure and invests substantially all of its assets in NEI Northwest Canadian Dividend Fund (the **Underlying Fund**).

The Merger Application

10. The Manager intends to reorganize the Funds by merging the Terminating Fund into the Continuing Fund.

11. Regulatory approval of the Merger is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102 because the fundamental investment objectives of the Continuing Fund are not, or may be considered not to be, "substantially similar" to the investment objectives of the Terminating Fund.

12. Except for the reason noted in paragraph 11 above, the Merger otherwise complies with all the criteria for pre-approved reorganizations and transfers as set forth in section 5.6 of NI 81-102.

13. No sales charges will be payable in connection with the acquisition by the Continuing Fund of the investment portfolio of the Terminating Fund.

14. Securityholders of the Terminating Fund will continue to have the right to redeem securities of the Terminating Fund at any time up to the close of business on the business day immediately before the effective date of the Merger.

15. In accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure*, a press release announcing the proposed Merger was issued on June 9, 2016 and subsequently filed on SEDAR. A material change report with respect to the Terminating Fund relating the proposed Merger was filed via SEDAR on June 9, 2016, and the related prospectus disclosure in respect of the Terminating Fund that remained open for sale to the public was included in the Offering Documents.

16. A notice of meeting, a management information circular (the **Circular**) and a proxy in connection with special meetings of securityholders have been mailed to securityholders of the Funds commencing on August 2, 2016 and have been filed via SEDAR. The Circular provides securityholders of the Terminating Fund and the Continuing Fund with information about the differences between the Terminating Fund and the Continuing Fund, the management fee of the Continuing Fund and the tax consequences of the Merger.

17. Fund facts relating to the relevant series of the Continuing Fund will be mailed to securityholders of the Terminating Fund on or about August 19, 2016.

18. Securityholders of the Terminating Fund will be asked to approve the Merger at a special meeting to be held on or about August 30, 2016.

19. The Manager is of the view that the Merger will not be a "material change" for the Continuing Fund as the investment returns of the Continuing Fund are derived from the investment returns of its Underlying Fund, which is significantly larger in size than the Terminating Fund.

20. In accordance with corporate law requirements, securityholders of the Continuing Fund will be asked to approve an amendment to the articles of the Corporation in connection with the exchange of securities relating to the Merger at a special meeting to be held on or about August 30, 2016.

21. The Manager will pay for the costs of the Merger. These costs consist mainly of brokerage charges associated with the merger-related trades that occur both before and after the effective date of the Merger and legal, proxy solicitation, translation, printing, mailing and regulatory fees.

22. If the required approvals are obtained, the Terminating Fund will merge into the Continuing Fund at the close of business on or about September 16, 2016 (and in any event, before October 1, 2016) and the Continuing Fund will continue as a publicly offered open-ended mutual fund.

23. The Terminating Fund will be wound up following the Merger.

24. Securities of the Continuing Fund received by securityholders in the Terminating Fund as a result of the Merger will have the same sales charge option and, for securities purchased under low load, low load 2, low load 3 or deferred sales charge options, the same remaining deferred sales charge schedule as their securities in the Terminating Fund.

25. The Merger will be structured as follows:

    (a) prior to the effective date of the Merger, all securities held by the Terminating Fund will be sold and converted to cash or cash equivalents. In this limited circumstance, the Terminating Fund may hold cash or money market instruments and may not be fully invested in accordance with its investment objectives for a period of time prior to the effective date of the Merger;

    (b) the Corporation may elect to declare dividends payable to the shareholders of the Terminating Fund;

    (c) the articles of incorporation of the Corporation, as amended, will be further amended to provide that all of the issued and outstanding shares of the Terminating Fund will be exchanged for shares of the Continuing Fund on a dollar-for-dollar basis and distributed to shareholders of the Terminating Fund. The holders of Series A shares and Series F shares of the Terminating Fund will receive corresponding Series A shares and Series F shares of the Continuing Fund. The shares of the Terminating Fund will be cancelled; and

    (d) the cash and securities in the portfolio of assets attributable to the Terminating Fund will be included in the portfolio of assets attributable to the Continuing Fund and invested in the units of the Underlying Fund.

26. As required by National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**), the Manager presented the potential conflict of interest matters related to the proposed Merger to the Independent Review Committee (the **IRC**) for a recommendation. On May 12, 2016, the IRC reviewed the potential conflict of interest matters related to the proposed Merger and provided its positive recommendation for the Merger, after determining that the proposed Merger, if implemented, would achieve a fair and reasonable result for each Fund.

27. The investment objectives of the Terminating Fund compared to the Continuing Fund for which merger approval per representation 11 is being sought are as follows:

Terminating Fund	Investment Objective	Continuing Fund	Investment Objective
NEI Northwest Enhanced Yield Equity Corporate Class	The investment objective of **NEI Northwest Enhanced Yield Equity Corporate Class** is to achieve long-term growth of capital and a sustainable level of yield through the investment of its assets primarily in the Canadian equity market and by writing covered call options. The Fund invests primarily in common shares and, to a lesser extent, in money market and fixed income securities.	NEI Northwest Canadian Dividend Corporate Class	The investment objective of **NEI Northwest Canadian Dividend Corporate Class** is to achieve a balance between high dividend income and capital growth by investing mainly in a diversified portfolio of blue-chip Canadian common stocks and, to a lesser extent, in high-yield preferred stocks and interest bearing securities.

28. The Manager believes that the Merger will be beneficial to the securityholders of the Terminating Fund and the Continuing Fund for the following reasons:

- shareholders of the Terminating Fund will enjoy increased economies of scale and lower operating expenses as part of a larger combined Continuing Fund as the fixed administration fee of this Fund will be reduced from 0.45% to 0.40% for Series A shares and from 0.40% to 0.30% for Series F shares;
- because of the investment strategy of the Continuing Fund to invest in the Underlying Fund, there will be increased portfolio diversification opportunities than within the Terminating Fund; and
- each of the Continuing Fund and its Underlying Fund, as a result of its increased size, will benefit from a more significant profile in the marketplace.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Approval Sought is granted.

“Raymond Chan”
Manager,
Investment Funds and Structured Products
Ontario Securities Commission

2.1.2 Brookfield Property Partners L.P. and Brookfield Office Properties Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filers want to put in place a credit support issuer structure, but are unable to rely on the exemption for credit support issuers in applicable securities legislation – Relief granted from continuous disclosure requirements, certification requirements, insider reporting requirement, audit committee requirements, qualification requirements and corporate governance requirements – Relief also granted from incorporation by reference requirement, earnings coverage requirements and subsidiary credit supporter requirements – Filers unable to rely on exemption for credit support issuers in applicable securities legislation since Brookfield Property Partners is the managing general partner of and controls an intermediate holding entity (a limited partnership) that indirectly owns the voting securities of BPO – When the characteristics of the limited partnership units of the holding limited partnership (including that the majority are held by the parent) are considered, control and direction of the holding limited partnership is held by Brookfield Property Partners as if Brookfield Property Partners beneficially owned all the outstanding voting securities of the holding limited partnership – Relief subject to conditions, including conditions relating to minority interest in holding limited partnership.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, ss. 107, 121(2)(a)(ii).
National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.
Form 44-101F1 Short Form Prospectus, ss. 6.1, 11.1(1), 12.1, 13.3.
National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1, 13.4.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 8.6.
National Instrument 52-110 Audit Committees, s. 8.1.
National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI), s. 6.1.
National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 10.1(2).
National Instrument 58-101 Disclosure of Corporate Governance Practices, s. 3.1.

July 27, 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
BROOKFIELD PROPERTY PARTNERS L.P.
(BROOKFIELD PROPERTY PARTNERS)

AND
BROOKFIELD OFFICE PROPERTIES INC.
(BPO)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from Brookfield Property Partners and BPO (collectively, the **Filers**) for a decision under the securities legislation of the principal regulator (the **Legislation**) granting exemptive relief for BPO and, in respect of (c), the insiders of BPO, from certain requirements including:

(a) the continuous disclosure requirements contained in the Legislation, including requirements under National Instrument 51-102 – *Continuous Disclosure Obligations* (**NI 51-102**), as amended from time to time (the **Continuous Disclosure Requirements**);

(b) the certification requirements contained in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, as amended from time to time (the **Certification Requirements**);

(c) the insider reporting requirements contained in the Legislation under sections 107 and 109 of the *Securities Act* (Ontario) (the **Act**) as well as the requirement to file an insider profile and insider reports under National Instrument 55-102 – *System for Electronic Disclosure by Insiders*, as amended from time to time, in respect of insiders of BPO (the **Insider Reporting Requirements**);

(d) the requirements of the Legislation relating to audit committees, including, without limitation, National Instrument 52-110 – *Audit Committees*, as amended from time to time (the **Audit Committee Requirements**);

(e) the corporate governance disclosure requirements contained in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as amended from time to time (the **Corporate Governance Requirements** and together with the Continuous Disclosure Requirements, Certification Requirements, Insider Reporting Requirements and Audit Committee Requirements, the **Reporting Issuer Requirements**);

(f) the qualification requirements (the **Qualification Requirements**) of Part 2 of National Instrument 44-101 – *Short Form Prospectus Distributions* (**NI 44-101)**, such that BPO is qualified to file a prospectus in the form of a short form prospectus;

(g) the disclosure requirements contained in paragraphs 1 to 4 and 6 to 8 of item 11 of Form 44-101F1 – *Short Form Prospectus* (**Form 44-101F1**) (the **Incorporation by Reference Requirements**);

(h) the disclosure requirements contained in item 6 of Form 44-101F1 (the **Earnings Coverage Requirements**); and

(i) the disclosure requirements contained in item 12 of Form 44-101F1 (the **Subsidiary Credit Supporter Requirements** and together with the Incorporation by Reference Requirements and the Earnings Coverage Requirements, the **Prospectus Disclosure Requirements**),

in connection with an internal reorganization of BPO as more particularly described below (collectively, the **Exemption Sought**).

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 Filers have 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, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon and Nunavut (collectively with the Jurisdiction, the Reporting Jurisdictions).

Interpretation

Terms defined in National Instrument 14-101 – *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. In this decision, Brookfield Property Partners Related Entities means, collectively, the Holding LP and subsidiary entities (as this term is defined in Multilateral Instrument 61-101 – *Take-Over Bids and Special Transactions*) of the Holding LP.

Representations

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

Brookfield Property Partners

1. Brookfield Property Partners is a Bermuda exempted limited partnership that was established on January 3, 2013.

2. The limited partnership units of Brookfield Property Partners (the **Units**) are listed on the New York Stock Exchange (**NYSE**) and the Toronto Stock Exchange (**TSX**) under the symbols "BPY" and "BPY.UN", respectively. As of June 30, 2016, there were 261,770,031 Units issued and outstanding and, as of June 30, 2016, approximately 182,604,312 Units, representing approximately 69% of the total issued and outstanding Units, were beneficially and directly held by Canadian residents.

3. Brookfield Property Partners is a reporting issuer in the Reporting Jurisdictions and is not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in the Reporting Jurisdictions.

4. Brookfield Property Partners is a SEC foreign issuer within the meaning of section 1.1 of National Instrument 71-102 – *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**) and satisfies its continuous disclosure obligations by complying with U.S. federal securities laws as is permitted under NI 71-102.

5. The general partner of Brookfield Property Partners is Brookfield Property Partners Limited (**BPY General Partner**), a Bermuda company and also a wholly-owned subsidiary of Brookfield Asset Management Inc. (**BAM**). BPY General Partner holds a 0.1% general partnership interest in Brookfield Property Partners. The mind and management of BPY General Partner is located in Bermuda.

6. BAM, a Canadian company, is Brookfield Property Partners' largest holder of Units. As of June 30, 2016, BAM owned, directly or indirectly, 47,322,899 Units, 138,875 general partner units of Brookfield Property Partners, 432,649,105 Redemption Exchange Units (defined below) and 4,759,997 special limited partnership interests in Brookfield Property L.P. (the **Holding LP**), collectively representing an approximate 69% interest in Brookfield Property Partners (on a fully-exchanged basis) including the indirect general partnership interest held in Brookfield Property Partners held by BPY General Partner.

7. Brookfield Property Partners' sole asset is a 100% managing general partnership interest in the Holding LP.

8. Brookfield Property Partners is the managing general partner of the Holding LP, a Bermuda exempted limited partnership that was established on January 4, 2013. The Holding LP owns, directly or indirectly, all of the common shares of Brookfield BPY Holdings Inc., an Ontario corporation (**CanHoldco**), Brookfield BPY Retail Holdings II Inc., an Ontario corporation (**CanHoldco** 2), BPY Bermuda Holdings Limited, a Bermuda company (**Bermuda Holdco**), and BPY Bermuda Holdings II Limited, a Bermuda company (**Bermuda Holdco 2**), BPY Bermuda Holdings IV Limited, a Bermuda company (**Bermuda Holdco 4**) and BPY Bermuda Holdings V Limited, a Bermuda company (**Bermuda Holdco 5** and, collectively with CanHoldco, CanHoldco 2, Bermuda Holdco, Bermuda Holdco 2 and Bermuda Holdco 4, the **Holding Entities**).

9. Brookfield Property Partners, the Holding LP and related entities have retained BAM (together with its subsidiaries other than Brookfield Property Partners and its subsidiaries, Brookfield) and its related entities to provide management, administrative and advisory services under an amended and restated master services agreement dated March 3, 2015.

BPO

10. BPO is a corporation formed under the *Canada Business Corporations Act*. BPO is an indirect subsidiary of Brookfield Property Partners.

11. BPO's registered office and Canadian head office is P.O. Box 770, Suite 330, Brookfield Place Toronto, 181 Bay Street, Toronto, Ontario, M5J 2T3.

12. BPO owns, develops and manages premier office properties in the United States, Canada, Australia and Europe.

13. BPO's capital structure consists of (i) an unlimited number of authorized Common Shares; (ii) an unlimited number of authorized Class A Preference Shares, issuable in series; (iii) 6,000,000 authorized Class AA Preference Shares, issuable in series; (iv) an unlimited number of authorized Class AAA Preference Shares (the **Preference Shares**), issuable in series; and (v) an unlimited number of authorized Class B Preference Shares, issuable in series.

14. The following shares in the capital of BPO were issued and outstanding as of June 30, 2016: (i) 484,806,813 Common Shares; (ii) 4,592,047 Class A Preference Shares, Series A, 9,205,273 Class A Preference Shares, Series B; (iii) 2,000,000 Class AA Preference Shares, Series E; (iv) 8,000,000 Class AAA Preference Shares, Series E, 4,241,746 Class AAA Preference Shares, Series G, 7,594,438 Class AAA Preference Shares, Series J, 6,000,000 Class AAA Preference Shares, Series K, 11,000,000 Class AAA Preference Shares, Series N, 12,000,000 Class AAA Preference Shares, Series P, 10,000,000 Class AAA Preference Shares, Series R, 10,000,000 Class AAA Preference Shares, Series T, 1,805,489 Class AAA Preference Shares, Series V, 3,816,527 Class AAA Preference Shares, Series W, 300 Class AAA Preference Shares, Series X, 2,847,711 Class AAA Preference Shares, Series Y, 800,000 Class AAA Preference Shares, Series Z, 12,000,000 Class AAA Preference Shares, Series AA, 8,000,000 Class AAA Preference Shares, Series CC; and (v) 3,600,000 Class B Preference Shares, Series 1, 3,000,000 Class B Preference Shares, Series 2.

15. As of June 30, 2016, the issued and outstanding shares of BPO were owned as follows: (i) all of the issued and outstanding Common Shares were indirectly owned by Brookfield Property Partners; (ii) all of the issued and

outstanding Class A Preference Shares were indirectly owned by Brookfield Property Partners; (iii) all of the issued and outstanding Class AA Preference Shares were owned, directly and indirectly, by Brookfield Property Partners, except for 299 Class AA Preference Shares, Series E which were held by the public; (iv) all of the issued and outstanding Class AAA Preference Shares were owned, directly and indirectly, by Brookfield Property Partners, except for certain non-voting Preference Shares, which were held by the public; and (v) all of the issued and outstanding Class B Preference Shares were owned by Brookfield.

16. The Preference Shares are issuable in one or more series having such rights, restrictions and privileges determined by the directors of BPO. Some of the Preference Shares are convertible, in certain circumstances, into Preference Shares of another series (the **Resulting Preference Shares**) or Units.

17. The Preference Shares, Series G, J, K, N, P, R, T, V, W, Y, AA and CC are listed on the TSX under the symbols "BPO.PR.U", "BPO.PR.J", "BPO.PR.K", "BPO.PR.N", "BPO.PR.P", "BPO.PR.R", "BPO.PR.T", "BPO.PR.X", "BPO.PR.W", "BPO.PR.Y", "BPO.PR.A" and "BPO.PR.C", respectively. No other shares of BPO, including its Common Shares, are listed on an exchange.

18. Brookfield Property Partners owns, directly and indirectly, 100% of BPO's issued and outstanding securities except for (i) certain non-voting Class B Preference Shares, which are held by Brookfield; (ii) certain non-voting Preference Shares, which are held by the public; and (iii) senior notes of BPO issued pursuant to an indenture (the **Indenture**) dated December 8, 2009 between BPO and BNY Trust Company of Canada, as trustee, as supplemented (the **Senior Notes** and, together with the Preference Shares, the **Existing Securities**). Brookfield Property Partners indirectly owns 100% of BPO's Common Shares and Class A Preference Shares, and therefore indirectly controls 100% of the voting securities of BPO.

19. BPO may issue additional series of Preference Shares (including Preference Shares that are convertible into Resulting Preference Shares or Units) and Senior Notes (collectively, the **New Securities** and together with the Existing Securities, the **Securities**) to the public from time to time in the future.

20. BPO is a reporting issuer in the Reporting Jurisdictions (except for the Northwest Territories, Yukon and Nunavut) and is not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in the Reporting Jurisdictions (except for the Northwest Territories, Yukon and Nunavut).

Reorganization

21. In July 2016, Brookfield Property Partners transferred certain assets to a subsidiary of BPO in exchange for certain securities, including 30,783.26 Class B Preference Shares, Series 3 and 36,346.50 Class B Preference Shares, Series 4 (the **Reorganization**). Upon completion of the Reorganization, Brookfield Property Partners still indirectly owns 100% of BPO's Common Shares and Class A Preference Shares and therefore still indirectly controls 100% of the voting securities of BPO.

22. In connection with the Reorganization, Brookfield Property Partners, the Holding LP and the Holding Entities (collectively, the **Guarantors**) provided full and unconditional joint and several guarantees (collectively, the **Guarantees**) of the payments to be made by BPO in respect of the Securities and the Resulting Preference Shares, as stipulated in agreements governing the rights of holders of the Securities and the Resulting Preference Shares, that result in the holders of such securities being entitled to receive payment from the Guarantors within 15 days of any failure by BPO to make a payment, as contemplated by paragraph (d) of the definition of "designated credit support security" in NI 51-102. The Guarantees in respect of the Preference Shares and the Resulting Preference Shares rank *pari passu* with certain senior preferred limited partnership units or preferred shares of the Guarantors and junior to certain other obligations of the Guarantors.

23. BPO may guarantee preferred limited partnership units issued by Brookfield Property Partners and debt securities issued by Brookfield Property Partners' subsidiaries. Such guarantees will rank *pari passu* with the Preference Shares and the Senior Notes, as applicable.

The Filers, The Holding LP and the Holding Entities

24. The Holding LP owns, directly or indirectly, all of the issued and outstanding common shares of all the Holding Entities and Brookfield owns all of the issued and outstanding preferred shares of CanHoldco (the **CanHoldco Preferred Shares**). The CanHoldco Preferred Shares are redeemable for cash at the option of CanHoldco, subject to certain limitations. The CanHoldco Preferred Shares are entitled to vote with the common shares of CanHoldco. The CanHoldco Preferred Shares are not equity securities as such term is defined in the Act. The voting rights attached to the CanHoldco Preferred Shares represent 3% of the votes to be cast by shareholders of CanHoldco; therefore they

should be disregarded when considering the overall relationship between Brookfield Property Partners, the Holding LP, the Holding Entities and BPO.

25. The definitions of "subsidiary" and "beneficial ownership of securities" that apply under the Act only refer to the ownership or control of companies, as opposed to partnerships, and do not clearly capture the relationship that exists among Brookfield Property Partners, the Holding LP and BPO. However, Brookfield Property Partners acts as the managing general partner of the Holding LP, holding a 100% managing general partnership interest in the Holding LP, and therefore controls the Holding LP directly. Further, the Holding LP owns, directly or indirectly, all of the equity and voting securities of the Holding Entities (other than as described in representation 24 above). As a result, Brookfield Property Partners consolidates the Holding LP (and all of the Holding LP's assets, including the Holding Entities) in its financial statements.

26. Brookfield Property Special L.P. (**Property Special LP**), a Brookfield subsidiary, holds a 0.7% special limited partnership interest (the **Special Limited Partnership Units**) in the Holding LP, Qatar Investment Authority (**QIA**), an unrelated third party, holds class A preferred limited partnership units (the **Class A Preferred Units**) of the Holding LP and the remaining limited partnership interests (the **Redemption-Exchange Units**) in the Holding LP are held by Brookfield. Property Special LP is the sole holder of the Special Limited Partnership Units, QIA is the sole holder of the Class A Preferred Units and Brookfield is the sole holder of the Redemption-Exchange Units.

27. The Special Limited Partnership Units are non-voting interests in the Holding LP and are not redeemable or exchangeable. The Class A Preferred Units are non-voting interests in the Holding LP and are exchangeable into Units upon exchange, redemption or maturity. The Redemption-Exchange Units are subject to a redemption-exchange mechanism pursuant to which Brookfield has the right to require that the Holding LP redeem all or a portion of its Redemption-Exchange Units for a cash amount equal to the fair market value of one Unit multiplied by the number of Redemption-Exchange Units to be redeemed. In connection with the redemption, Brookfield Property Partners has the right to purchase all the Redemption-Exchange Units to be redeemed in exchange for Units on a one for one basis. The characteristics of the redemption-exchange mechanism associated with Brookfield's Redemption-Exchange Units are such that the economic interest of Brookfield is an economic interest in Brookfield Property Partners rather than the Holding LP.

28. BPY General Partner holds a 0.1% general partnership interest in Brookfield Property Partners and acts as the general partner of Brookfield Property Partners. BPY General Partner is wholly owned by Brookfield.

29. The Guarantors became "credit supporters" of BPO when the Guarantees were implemented (as defined in Part 13.4 of NI 51-102).

30. BPO became a "credit support issuer" when the Guarantees were implemented (as defined in Part 13.4 of NI 51-102).

31. BPO, and the relationship between BPO and Brookfield Property Partners, satisfies the requirements of section 13.4(2.1) of NI 51-102 in all respects, other than: (i) the fact that the Holding LP and Brookfield Property Partners are partnerships, (ii) certain Preference Shares may be convertible, in certain circumstances, into Resulting Preference Shares, and (iii) the fact that Brookfield Property Partners satisfies its continuous disclosure obligations by complying with U.S. federal securities law as is permitted under NI 71-102.

32. Brookfield Property Partners does not directly satisfy the definition of "parent credit supporter" (as defined in Part 13.4 of NI 51-102) in relation to BPO and the Securities as a result of the indirect ownership of BPO through the Holding LP. Therefore, the Securities are not "designated credit support securities" (as defined in Part 13.4 of NI 51-102). If the Exemption Sought is granted, the Filers will (i) treat Brookfield Property Partners as a "parent credit supporter" and comply with the conditions in section 13.4(2.1) of NI 51-102 that apply to parent credit supporters, and (ii) treat the Securities and the Resulting Preference Shares as "designated credit support securities" and comply with the conditions in section 13.4(2.1) of NI 51-102 that apply to designated credit support securities, in accordance with the terms and conditions of this decision.

33. The Securities satisfy the definition of "designated credit support securities" (as defined in Part 13.4 of NI 51-102), but for: (i) the fact that Brookfield Property Partners does not directly satisfy the definition of "parent credit supporter" (as defined in Part 13.4 of NI 51-102), and (ii) certain Preference Shares may be convertible, in certain circumstances, into Resulting Preference Shares.

34. It is proposed that BPO distribute Preference Shares to the public pursuant to a short form prospectus in respect of the distribution of the Preference Shares, filed in each of the Reporting Jurisdictions (except for the Northwest Territories, Yukon and Nunavut), in reliance upon sections 2.4 of NI 44-101 and, if applicable, National Instrument 44-102 – *Shelf Distributions* (**NI 44-102**). The short form prospectus will be prepared pursuant to the short form procedures contained

in NI 44-101 and, if applicable, NI 44-102 and will comply with the requirements set out in Form 44-101F1 and, if applicable, NI 44-102, other than the Prospectus Disclosure Requirements.

35. BPO does not directly satisfy the eligibility criteria in Part 2 of NI 44-101 (and thus the shelf qualification requirements in Part 2 of NI 44-102) in order to be able to file a prospectus in the form of a short form prospectus (and thus short form base shelf prospectus) for Preference Shares that are convertible into Resulting Preference Shares.

36. Brookfield Property Partners does not meet the test set forth in section 13.4(2)(a) of NI 51-102 as it does not directly satisfy the definition of "parent credit supporter" (as defined in Part 13.4 of NI 51-102) and, by virtue of section 13.4(4) of NI 51-102, Brookfield Property Partners is unable to meet the test set forth in section 13.4(2)(b)(ii) of NI 51-102 as it satisfies its continuous disclosure obligations by complying with U.S. federal securities law as is permitted under NI 71-102. Therefore, the Exemption Sought is required in order for the provisions of section 13.4 of NI 51-102 to apply to BPO, and the relationship between BPO and Brookfield Property Partners.

Offering of New Securities

37. At the time of the filing of any short form prospectus or shelf prospectus supplement in connection with an offering of New Securities:

    a) BPO will comply with all of the filing requirements and procedures set out in NI 44-101, other than the Qualification Requirements, and, if applicable, NI 44-102, except as permitted by the Legislation;

    b) the prospectus will be prepared in accordance with the short form prospectus requirements of NI 44-101 and, if applicable, NI 44-102 other than the Prospectus Disclosure Requirements, except as permitted by the Legislation;

    c) Brookfield Property Partners will continue to be a reporting issuer under the Legislation;

    d) Brookfield Property Partners will continue to provide its Guarantees;

    e) the prospectus will incorporate by reference the documents of Brookfield Property Partners set forth under item 11.1 of Form 44-101F1;

    f) the prospectus disclosure required by item 11 of Form 44-101F1 will be addressed by incorporating by reference Brookfield Property Partners' public disclosure documents referred to in paragraph (e) above; and

    g) Brookfield Property Partners will continue to satisfy all of the criteria in section 2.2 of NI 44-101, as applicable, pursuant to Part 4 of NI 71-102.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

1. in respect of the Continuous Disclosure Requirements, BPO and Brookfield Property Partners continue to satisfy the conditions set out in subsection 13.4(2.1) of NI 51-102, except as modified as follows:

    (a) any reference to parent credit supporter in section 13.4 shall be deemed to include Brookfield Property Partners notwithstanding its indirect ownership of BPO through the Holding LP,

    (b) any reference to subsidiary credit supporter in section 13.4 of NI 51-102 shall be deemed to include the Holding Entities and their affiliates, including the Brookfield Property Partners Related Entities, notwithstanding Brookfield Property Partners' indirect ownership of such entities through the Holding LP,

    (c) Brookfield Property Partners does not have to comply with the conditions in section 13.4(2)(a) and section 13.4(2.1)(b) of NI 51-102 if:

        (i) no party other than Brookfield Property Partners and Brookfield will have any direct or indirect ownership of, or control or direction over, voting securities of the Holding LP,

(ii) no party other than Brookfield Property Partners, Brookfield and the Brookfield Property Partners Related Entities will have any direct or indirect ownership of, control or direction over, voting securities of the Holding Entities,

(iii) no party other than Brookfield Property Partners, Brookfield and the Brookfield Property Partners Related Entities will have any direct or indirect ownership of, or control or direction over, voting securities of BPO,

(iv) Brookfield Property Partners consolidates in its financial statements the Holding LP, the Holding Entities and BPO as well as any entities consolidated by any of the foregoing and, if BPO has issued Securities that remain outstanding, files its financial statements pursuant to Part 4 of NI 51-102, except that Brookfield Property Partners does not have to comply with the conditions in section 4.2 of NI 51-102 if it files such financial statements on or before the date that it is required to file its Form 20-F with the U.S. Securities and Exchange Commission (**SEC**), and

(v) other than the CanHoldco Preferred Shares owned by Brookfield, the issued and outstanding voting securities of the Holding Entities and BPO are 100% owned, directly or indirectly, by their respective parent companies or entities,

(d) section 13.4(4) of NI 51-102 does not apply to Brookfield Property Partners (the **SEC Foreign Issuer Relief**) if:

(i) Brookfield Property Partners continues to be a reporting issuer,

(ii) Brookfield Property Partners continues to be a SEC foreign issuer (as defined in section 1.1 of NI 71-102) and only relies on the exemptions in Part 4 of NI 71-102,

(iii) to the extent that Brookfield Property Partners complies with the foreign private issuer disclosure regime under U.S. securities law, it does not rely on any exemption from that regime,

(iv) if BPO has issued Securities that remain outstanding, the summary financial information referred to in section 13.4(2.1)(c) of NI 51-102 will be reconciled to the consolidated financial statements of Brookfield Property Partners, including any minority interest adjustments,

(v) Brookfield Property Partners continues to file a material change report as set out in Part 7 of NI 51-102 in respect of any material change in the affairs of Brookfield Property Partners that is not reported or filed by Brookfield Property Partners on SEC Form 6-K,

(vi) Brookfield Property Partners continues to file an interim financial report as set out in Part 4 of NI 51-102 and the Management Discussion and Analysis as set out in Part 5 of NI 51-102 for each period commencing on the first day of the financial year and ending nine, six or three months before the end of the financial year, and

(vii) Brookfield Property Partners includes in any prospectus of BPO, financial statements or other information about any acquisition that would have been or would be a significant acquisition for the purposes of Part 8 of NI 51-102 that Brookfield Property Partners has completed or has progressed to a state where a reasonable person would believe that the likelihood of Brookfield Property Partners completing the acquisition is high if the inclusion of the financial statements is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed. The requirement to include financial statements or other information must be satisfied by including or incorporating by reference (a) the financial statements or other information as set out in Part 8 of NI 51-102, or (b) satisfactory alternative financial statements or other information, unless at least 9 months of the operations of the acquired business or related businesses are incorporated into Brookfield Property Partners' current annual financial statements included or incorporated by reference in the prospectus of BPO,

(e) BPO does not have to comply with the conditions in section 13.4(2)(c) of NI 51-102 if BPO does not issue any securities and does not have any securities outstanding other than:

(i) designated credit support securities,

(ii) securities issued to and held by Brookfield Property Partners or the Brookfield Property Partners Related Entities,

(iii) non-voting securities held by Brookfield,

(iv) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, saving or credit unions, financial services cooperatives, insurance companies or other financial institutions,

(v) securities issued under exemptions from the prospectus requirements in section 2.35 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, and

(vi) Securities and Resulting Preference Shares, provided that (x) Brookfield Property Partners has provided its Guarantees in respect of such securities and (y) such securities are not convertible into any security other than Resulting Preference Shares, Units and Preference Shares.

2. in respect of the Certification Requirements, the Audit Committee Requirements and the Corporate Governance Requirements, Brookfield Property Partners and BPO continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above.

3. in respect of the Insider Reporting Requirements, an insider of BPO can only rely on the Exemption Sought so long as:

(a) the insider complies with the conditions in sections 13.4(3)(b) and (c) of NI 51-102, and

(b) Brookfield Property Partners and BPO continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above.

4. in respect of the Qualification Requirements and the Prospectus Disclosure Requirements so long as:

(a) any preliminary short form prospectus of BPO is in respect of an offering of Securities,

(b) BPO is qualified to file a preliminary short form prospectus under section 2.4 of NI 44-101, except modified as follows:

(i) BPO does not have to comply with the condition in section 2.4 of NI 44-101 that the securities being distributed be non-convertible preferred shares if, on completion of any offering of new Preference Shares, such Preference Shares are only convertible into Resulting Preference Shares,

(c) BPO is and remains so long as any of the Securities issued to the public remain outstanding, an electronic filer under National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval* (**SEDAR**),

(d) BPO and Brookfield Property Partners satisfy the conditions set out in section 13.3 of Form 44-101F1, except as modified as follows:

(i) any reference to parent credit supporter in section 13.3 of Form 44-101F1 shall be deemed to include Brookfield Property Partners notwithstanding its indirect ownership of BPO through the Holding LP,

(ii) any reference to subsidiary credit supporter in section 13.3 of Form 44-101F1 shall be deemed to include the Holding Entities and their affiliates, including the Brookfield Property Partners Related Entities, notwithstanding Brookfield Property Partners' indirect ownership of such entities through the Holding LP,

(iii) Brookfield Property Partners does not have to comply with the conditions in sections 13.3(1)(e) and 13.3(1)(f) of Form 44-101F1 if it meets the conditions in paragraph 1(c) of this decision above,

(iv) BPO does not have to comply with the conditions in section 13.3(1)(d) of Form 44-101F1 if, on completion of any offering of new Preference Shares, such Preference Shares are only convertible into Resulting Preference Shares, and

(v) the summary financial information referred to in section 13.3(1)(g) of Form 44-101F1 will be reconciled to the consolidated financial statements of Brookfield Property Partners, including any minority interest adjustments,

(e) any preliminary short form prospectus and final short form prospectus of BPO contains (or incorporates by reference a document containing) a corporate organizational chart showing the ownership and control

relationships among Brookfield, Brookfield Property Partners, the BPY General Partner, the Holding LP, the Holding Entities and BPO,

(f) Brookfield Property Partners and BPO continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above,

(g) BPO and Brookfield Property Partners, as applicable, comply with the requirements in paragraph 37 above, and

(h) BPO will issue a news release and file a material change report as set out in Part 7 of NI 51-102 in respect of any material change in the affairs of BPO that is not also a material change in the affairs of Brookfield Property Partners.

As to the Exemption Sought (other than from the Insider Reporting Requirements in the Act).

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

As to the Exemption Sought from the Insider Reporting Requirements in the Act.

"Janet Leiper"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

2.1.3 Espial Group Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from requirement to provide audited financial statements of the acquired business in a BAR – it is impracticable to prepare financial statements – filer granted relief to include alternative financial information, comprised of statement of assets acquired and liabilities assumed and statement of operations, as financial statement disclosure for a significant acquisition.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.
National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.
Form 44-101F1, s. 10.2.

August 26, 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
ESPIAL GROUP INC.
(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 of the principal regulator (the "**Legislation**") for relief (the "**Exemptions Sought**") pursuant to Part 13 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") and Part 8 of National Instrument 44-101 – *Short Form Prospectus Distributions* ("**NI 44-101**"), respectively, that the Filer be exempt from requirements to provide certain historical financial statements of a business that constitutes a significant acquisition, together with an auditor's report on such financial statements:

a. in a business acquisition report ("**BAR**") required to be filed by the Filer under NI 51-102,

b. in any short form prospectus ("**Prospectus**") which the Filer files pursuant to NI 44-101 that would be required to include or incorporate by reference the financial statements as required by the BAR,

in connection with the Filer's acquisition through its wholly-owned subsidiary, Espial DE, Inc. (the "**Subsidiary**") of assets relating to the Whole Home Solution line of products (the "**Acquired Assets**") from ARRIS Group, Inc. (the "**Seller**"), a wholly-owned subsidiary of ARRIS International plc ("**ARRIS**") on August 19, 2016 (the "**Acquisition Date**").

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

1. the Ontario Securities Commission is the principal regulator for this application; and

2. 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, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut.

Interpretation

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

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

1. The Filer was incorporated on April 25, 1997 under the *Canada Business Corporations Act*.

2. The Filer is a reporting issuer in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, Northwest Territories, Yukon and Nunavut, and is not in default of its reporting issuer obligations under the securities legislation of any of the jurisdictions of Canada.

3. The common shares of the Filer are listed and posted for trading on the Toronto Stock Exchange under the symbol "ESP".

4. The financial year-end of the Filer is December 31.

5. On June 28, 2016, the Filer announced that it had entered into a definitive asset purchase agreement with the Seller and the Subsidiary to acquire the Acquired Assets from the Seller (the "**Acquisition**"). The Filer announced the closing of the Acquisition on August 19, 2016.

6. ARRIS Group Inc. is incorporated in Delaware and is a wholly-owned subsidiary of ARRIS. ARRIS is legally organized as ARRIS International plc, a company incorporated in England and Wales, and is deemed to be the successor to ARRIS Group Inc. pursuant to Rule 12g-3(a) under the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the ordinary shares of ARRIS International plc are deemed to be registered under Section 12(b) of the Exchange Act.

7. ARRIS International plc is a global media entertainment and data communications solutions provider, headquartered in Suwanee, Georgia. ARRIS operates in two business segments, Customer Premises Equipment and Network & Cloud, specializing in enabling service providers including cable, telephone, and digital broadcast satellite operators and media programmers to deliver media, voice, and IP data services to their subscribers. ARRIS is a leader in set-tops, digital video and Internet Protocol Television distribution systems, broadband access infrastructure platforms, and associated data and voice Customer Premises Equipment. ARRIS' solutions are complemented by a broad array of services including technical support, repair and refurbishment, and systems design and integration.

8. The Acquired Assets primarily comprise software and technology, intellectual property; design, development and testing tools; contracts; books and records; goodwill; and the assumption of associated liabilities, relating to the software part of the Seller's Whole Home Solution product offering (the Seller is maintaining the hardware components), along with certain Seller employees who perform work in connection with such Acquired Assets.

9. The Filer has concluded that the Acquisition constitutes a significant acquisition. Accordingly, the Filer is required to file a BAR within 75 days following the Acquisition Date. In addition, in connection with the filing of any Prospectus following completion of the Acquisition in which the circumstances described in Section 10.2(1) of Form 44-101F1 ("**44-101F1**") apply, the Filer will be required to include in any such Prospectus, in accordance with Section 10.2(4)(a) or (b) of 44-101F1, financial statements or other information that is required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of NI 51-102 or satisfactory alternative financial statements or other information.

10. In the course of their negotiations relating to the Acquisition, the Filer, being aware of the requirements under NI 51-102 and 44-101F1 referred to in the preceding paragraph, held discussions with the Seller involving their respective auditors regarding these requirements and the type of financial disclosure required in order to satisfy the requirements under NI 51-102 and 44-101F1. In the course of these discussions, the Seller advised the Filer that it did not treat the Acquired Assets as a separate and distinct business or division for accounting purposes, and as a result, the Seller did not prepare or maintain stand-alone financial statements specific to the Acquired Assets.

11. The Seller further informed the Filer that, in its view, the preparation of "carve-out" financial statements for the Acquired Assets in accordance with the requirements under Section 8.4 of NI 51-102 is impracticable due to the following facts:

    a. ARRIS does not maintain the distinct and separate accounts necessary to prepare the full financial statements of the Acquired Assets. The operations of the Acquired Assets are not attributable to any one stand-alone

legal entity, segment or reporting unit within ARRIS' operating structure, but rather, are embodied in several product lines that make up the Whole Home Solution product offering. For 2015, revenues and direct net assets for the Acquired Assets represented approximately 0.23% and 0.06% of ARRIS' consolidated revenues and net assets. ARRIS prepares audited annual consolidated financial statements that includes its subsidiaries. In addition, no stand-alone audited annual financial statements exist for the Whole Home Solution product offering that encompasses the Acquired Assets for their financial year ended December 31, 2015. No prior or future periods have been audited for the Whole Home Solution product offering.

b. ARRIS provided corporate level sales and support (including administrative support functions such as accounting, tax, legal and human resources) and shared resources and services (such as centralized accounts payable processing, payroll, information technology and research and development strategy support) to multiple product lines organized in multiple legal entities. As a result, selling, general and administrative expenses (including rent, personnel, insurance, audit, tax, etc.) are not specifically identifiable to specific product lines, including the Acquired Assets. Allocations of those costs to the Acquired Assets entails numerous assumptions, a number of which are highly arbitrary, with the result that the allocated costs would be unlikely to be indicative of what the Acquired Assets would have experienced as a stand-alone entity.

c. Consistent with the foregoing, ARRIS' systems and procedures did not provide sufficient information for the preparation of stand-alone income tax and interest/capital cost provisions for the Acquired Assets, nor was this required for internal, regulatory or tax purposes as the Acquired Assets were not operated as a separate business or legal entity.

d. Due to the complimentary nature of ARRIS' product lines, many of its customers purchased products across multiple product lines, and many of its suppliers provided materials, products and services across multiple product lines. ARRIS did not maintain separate order forms and/or invoices for certain transactions related to the Acquired Assets. As a result, receivables and payables records and their related payments from customers and payments to vendors are commingled between the Acquired Assets and other product lines within ARRIS. Also, since such documents can relate to more than one product line, services, costs and liabilities (such as accrued marketing/ advertising) related to such orders require an allocation to the Acquired Assets which would be unlikely to be indicative of what the Acquired Assets would have experienced as a stand-alone entity. While identification of receivables and payables by product line would require a review of invoice and line item detail for each period presented, any attempt to construct cash flow statements for the Acquired Assets would entail numerous assumptions with respect to opening cash balances and sources and uses of cash for financing and operational purposes that are unlikely to be indicative of what the Acquired Assets would have experienced as a stand-alone entity.

e. The records are insufficiently detailed to extract information specific to the Acquired Assets as would be required to produce the financial statements as set out in Part 8 of NI 51-102 (and accordingly, section 10.2(4)(a) of 44-101F1) and, in ARRIS' view, it is impracticable to do so.

f. The assumptions and estimates required for the Filer to "carve out" a complete set of financial statements for the Acquired Assets would by necessity be arbitrary and speculative and undermine the reliability of those statements. Any such statements would not reflect the true nature of the Acquired Assets or be useful to shareholders or investors.

12. Following the Acquisition, the Filer expects to integrate the Acquired Assets into its existing organization structure, which will have a different cost structure than that of the Seller.

13. Section 8.4 of NI 51-102 requires that the Filer include in the BAR, the following annual financial statements of the Acquired Assets:

a. a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for (i) the audited annual period ended December 31, 2015; and (ii) the annual period ended December 31, 2014;

b. an audited statement of financial position as at December 31, 2015;

c. a statement of financial position as December 31, 2014; and

d. notes to the required financial statements.

14. Section 8.4(5) of NI 51-102 requires that the Filer include in the BAR:

    a. a *pro forma* statement of financial position of the Filer as at the date of the Filer's most recent statement of financial position filed that gives effect, as if the Acquisition has taken place as at the date of the *pro forma* statement of financial position, to the Acquisition; and

    b. a *pro forma* income statement that gives effect to the Acquisition as if it had taken place as at January 1, 2015 for (i) the annual period ended December 31, 2015; and (ii) the most recent interim period of the Filer that ended immediately before the Acquisition Date.

15. Section 10.2(4) of 44-101F1 requires that in any Prospectus filed after completion of the Acquisition but for which the Filer has not yet filed a BAR in respect of the Acquisition under NI 51-102, the Filer would be required to include the financial statements that would be required under NI 51-102, as outlined above in paragraphs 13 and 14, or satisfactory alternative financial statements or other information.

16. The Filer proposes to include the following financial statements in the BAR and in any Prospectus (the "**Alternative Financial Statements**"):

    a. an audited statement of the assets to be acquired and liabilities to be assumed by the Filer as at December 31, 2015 with an unaudited comparative statement of assets and liabilities as at December 31, 2014 prepared in accordance with United States generally accepted accounting principles (the "**Statement of Assets Acquired and Liabilities Assumed**") that:

        i. includes all the assets and liabilities acquired;

        ii. includes a statement that the Statement of Assets Acquired and Liabilities Assumed is prepared using accounting policies that are permitted by United States generally accepted accounting principles ("**U.S. GAAP**");

        iii. includes a description of the accounting policies used to prepare the Statement of Assets Acquired and Liabilities Assumed; and

        iv. includes an auditor's report that reflects the fact that the Statement of Assets Acquired and Liabilities Assumed was prepared in accordance with the basis of presentation disclosed in the notes to the Statement of Assets Acquired and Liabilities Assumed;

    b. an audited statement of the Acquired Assets' direct revenues and expenses for the year ended December 31, 2015 with an unaudited comparative statement of direct revenues and expenses for the year ended December 31, 2014 (the "**Statement of Direct Revenues and Expenses**"). These statements will be prepared in accordance with U.S. GAAP and include direct revenues generated by the Acquired Assets less expenses directly attributable to the Acquired Assets and will include notes to the statements outlining the basis of preparation and assumptions used. The notes will include the assumptions used for any allocated costs (e.g. distribution and certain selling, general and administrative costs) and the nature of any costs excluded (e.g. treasury, tax, legal, information technology, human resources, interest expense and taxes). The Statement of Direct Revenues and Expenses will:

        i. include a statement that the operating statements are prepared using accounting policies that are permitted by U.S. GAAP;

        ii. include a description of the accounting policies used to prepare the operating statements; and

        iii. include an auditor's report that reflects the fact that the operating statements were prepared in accordance with the basis of presentation disclosed in the notes to the operating statements;

    c. an unaudited statement of the assets to be acquired and liabilities to be assumed by the Filer as at the end date of ARRIS' most recently completed interim period ended before the Acquisition Date, reporting in a manner consistent with the Statement of Assets Acquired and Liabilities Assumed referred to in paragraph (a) above (the "**Interim Statement of Assets Acquired and Liabilities Assumed**"), as well as an unaudited statement of the Acquired Assets' direct revenues and expenses as at the end date of ARRIS' most recently completed interim period ended before the Acquisition Date, reporting direct revenues and expenses in a manner consistent with the Statement of Direct Revenues and Expenses referred to in paragraph (b) above (the "**Interim Statement of Direct Revenues and Expenses**");

d. a *pro forma* balance sheet as at the date of the Filer's most recent balance sheet filed that includes the Interim Statement of Assets Acquired and Liabilities Assumed (the "**Pro Forma Balance Sheet**"); and

e. a *pro forma* income statement for the year ended December 31, 2015 that includes the Filer's consolidated statements of income and comprehensive income for the year ended December 31, 2015 and a constructed statement of the Acquired Assets' direct revenues and expenses for the twelve-month period ended December 31, 2015 and a pro forma income statement that is based on the most recently completed interim period of the Filer ended before the Acquisition Date (the "**Pro Forma Operating Statements**").

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemptions Sought are granted provided that the Filer includes in the BAR and in any Prospectus the Alternative Financial Statements.

"Sonny Randhawa"
Deputy Director, Corporate Finance Branch
Ontario Securities Commission

2.1.4 Invesco Canada Ltd.

Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Hybrid Application – Filer requested relief from providing trade confirmations and client statements where similar documents provided by certain affiliated investment vehicles – Relief granted with respect to trades for institutional clients provided that an agreement is executed with institutional clients and investment vehicle is primarily offered abroad and provides the clients with generally comparable reports.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 36(1), 147.

Instruments Cited

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 14.12, 14.14, 15.1.

August 25, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
NEWFOUNDLAND AND LABRADOR, ONTARIO AND SASKATCHEWAN

AND

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

AND

IN THE MATTER OF
INVESCO CANADA LTD.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in:

(a) Ontario has received a passport application from the Filer for a decision under the securities legislation of Ontario for discretionary relief to permit the Filer in the case of Transactions (as defined below) to cease delivering Confirmations (the **Confirmation Requirement**) and Statements (the **Statement Requirement**) to its Clients (the **Passport Exemption**);

(b) each of Ontario, Newfoundland and Labrador (**Newfoundland**) and Saskatchewan (the **Coordinated Exemption Decision Makers**) have received a coordinated application from the Filer for a decision under the securities legislation of those provinces for discretionary relief in the case of Transactions from the Confirmation Requirement (the **Coordinated Exemption**); and

(c) Newfoundland has received an application from the Filer for a decision under the securities legislation of that jurisdiction for discretionary relief in the case of Transactions from the Statement Requirement (the **Newfoundland Exemption**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport and coordinated review application):

(a) the Ontario Securities Commission is the principal regulator (the **Principal Regulator**) for this application;

(b) the Filer has provided notice under section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) that the Passport Exemption is intended to be relied upon in British Columbia, Alberta, Saskatchewan,

Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland, the Northwest Territories, Nunavut and the Yukon Territory;

(c) the decision with respect to the Coordinated Exemption evidences the decision of each Coordinated Exemption Decision Maker; and

(d) the decision with respect to the Newfoundland Exemption evidences the decision of the regulatory authority or regulator in Newfoundland.

Interpretation

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

Client and collectively, **Clients** means an investor residing in a Canadian jurisdiction where the Filer acts as dealer for Client's Transactions.

Confirmations means written confirmations of transactions required pursuant to section 14.12(1) of NI 31-103 and securities legislation of the Coordinated Exemption Decision Makers to be delivered to a client following a transaction.

Contract Note means a notice issued by a Luxembourg RE Fund which contains all information required for Confirmations other than the information set out in representation 22.

Europe Core RE Fund means Invesco Real Estate – European Fund.

LP Agreement means the Amended and Restated Limited Partnership Agreement of the US Core RE Fund dated November 3, 2011, as amended; the Amended and Restated Limited Partnership Agreement of the US Income RE Fund dated November 27, 2013, as amended; and the Restated Limited Partnership Agreement of the UK Residential RE Fund dated December 18, 2015.

Luxembourg RE Funds means collectively, the Europe Core RE Fund and the UK Residential RE Fund and **Luxembourg RE Fund** means any one of the Luxembourg RE Funds.

NAV Statement means a statement of net asset value issued by a US RE Fund which contains all information required for Statements other than the information set out in representation 23.

NAVPS means net asset value per security.

NI 31-103 means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

RE Funds means collectively, Europe Core RE Fund, UK Residential RE Fund, US Income RE Fund or US Core RE Fund and **RE Fund** means any one of the RE Funds.

Register means a statement issued by a Luxembourg RE Fund which contains all information required for Statements.

Statements means statements with certain information required pursuant to sections 14.14(1) and 14.14(2) of NI 31-103 and the securities legislation of Newfoundland to be delivered at least once every three months, or at the end of a month if the Client has requested statements on a monthly basis or if a transaction is effected in a client's account during the month.

Trade Detail Report means a report issued by a US RE Fund which contains all information required for Confirmations other than the information set out in representation 22.

Transactions means purchases or redemptions of securities of an RE Fund by a Client.

UK Residential RE Fund means Invesco Real Estate – UK Residential Fund.

US Core RE Fund means Invesco Core Real Estate – U.S.A., L.P.

US Income RE Fund means Invesco U.S. Income Fund, L.P.

US RE Funds means collectively, the US Core RE Fund and US Income RE Fund and US RE Fund means any one of the US RE Funds.

Representations

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

1. The Filer:

   a) is a corporation amalgamated under the laws of Ontario;

   b) is an indirect wholly-owned subsidiary of Invesco Ltd., a global investment manager;

   c) has its head office located in Toronto, Ontario;

   d) is registered as an adviser in the category of portfolio manager in all provinces of Canada, a dealer in the category of exempt market dealer in all provinces of Canada and an investment fund manager in Ontario, Quebec and Newfoundland; and

   e) has not otherwise been found to be in default of applicable securities legislation in any jurisdiction other than the default as described in representation 2.

2. The Filer obtained an order, *In the Matter of Invesco Canada Ltd.* dated April 5, 2013, which exempted the Filer from the requirement to deliver Confirmations and Account Statements for the US Core RE Fund on terms and conditions substantially similar to those outlined in this decision (the **Existing Order**). The Existing Order inadvertently described the prior structure and name of the US Core RE Fund (the **Error**). The Filer relied on the Existing Order despite the Error.

3. Each of the US RE Funds:

   a) is a Delaware partnership whose general partner is IRI Core I, L.P. (in the case of US Core RE Fund) and IRI Income I, L.P. (in the case of US Income RE Fund);

   b) is managed and advised by Invesco Advisers, Inc.;

   c) is an open-end investment vehicle established under the laws of Delaware on September 30, 2004 (in the case of US Core RE Fund) and April 16, 2013 (in the case of US Income RE Fund);

   d) had assets under management of approximately USD$6 billion (in the case of US Core RE Fund) and USD$356 million (in the case of US Income RE Fund) as of December 31, 2015;

   e) is primarily offered to investors that are not residents of Canada;

   f) is available for distribution only to “accredited investors” (as defined in Regulation D under the U.S. Securities Act of 1933, as amended) and “qualified purchasers” (as defined in section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended (the **Investment Company Act**)) or “knowledgeable employees” (as defined in Rule 3c-5 under the Investment Company Act); and

   g) is not in default of securities legislation in the United States.

3. The Europe Core RE Fund:

   a) is a fonds commun de placement – fonds d’investissement spécialisé;

   b) is managed by Invesco Real Estate Management S.à.r.l. and advised by Invesco Asset Management Limited;

   c) is an open-end investment vehicle established pursuant to the laws of Luxembourg on August 1, 2008;

   d) had assets under management of €1.8 billion as of December 31, 2015;

   e) is primarily offered to investors that are not residents of Canada;

   f) is available for distribution only to eligible investors pursuant to Article 2 of the Luxembourg law of 13th February 2007 on specialised investment funds, as amended and who has expressly declared himself to be aware of, to accept and to be able to bear the risks attaching to an investment in the fund and who has

acknowledged that any recourse he may have is limited, in substance, to the assets of the fund (**Eligible Investors**); and

g) is not in default of securities legislation in Luxembourg.

4. The UK Residential RE Fund:

a) is a société en commandite spéciale whose unlimited partner is Invesco Real Estate – UK Residential Fund S.à.r.l.;

b) is managed by Invesco Real Estate Management S.à.r.l. and advised by Invesco Asset Management Limited;

c) is an open-end investment vehicle established pursuant to the laws of Luxembourg on October 19, 2015;

d) is newly formed and has not yet called capital from its partners but has capital commitments of £188 million as of December 31, 2015;

e) is primarily offered to investors that are not residents of Canada;

f) is available for distribution only to Eligible Investors; and

g) is not in default of securities legislation in Luxembourg.

5. Invesco Advisers, Inc. is:

a) a corporation formed under the laws of the State of Delaware, United States of America;

b) registered as an investment adviser with the United States Securities and Exchange Commission and is anticipated to be exempt from registration with the U.S. Commodity Futures Trading Commission (the **CFTC**) as a commodity pool operator with respect to the US RE Funds;

c) not registered in any Canadian jurisdiction; and

d) not in default of securities legislation in the United States.

6. Invesco Asset Management Limited is:

a) a corporation incorporated under the laws of England and Wales;

b) authorized and regulated by the Financial Services Authority in the United Kingdom;

c) not registered in any Canadian jurisdiction; and

d) not in default of securities legislation in the United Kingdom.

7. The Filer is or will act as dealer in Transactions with a Client.

8. Each Client is:

a) a “permitted client” within the meaning of section 1.1 of NI 31-103;

b) an institutional investor and not an individual investor; and

c) assisted by a third party consultant and may have internal investment advisors that provide advice to the Client with respect to its investments.

9. As of March 31, 2016, more than 50% of the US RE Funds’ and the Europe Core RE Fund’s investors by number and investment amount are not Clients or other residents of Canada.

10. As of March 31, 2016, more than 50% of the UK Residential RE Fund’s prospective investors by number and investment commitments are not Clients or other residents of Canada.

11. Prior to a Client's purchase of securities of an RE Fund, representatives of the RE Fund and the Filer are required to submit a request for proposal (**RFP**) and conduct various in-person presentations with the Client that include information relating to the investment objectives and strategies of the RE Fund, fees and the settlement process (the **RFP Process**). The Client also receives an offering memorandum pertaining to the Fund (the **OM**).

12. Each Client is required to:

    a) enter into a subscription agreement (which in the case of the US RE Funds, amongst other things, binds the Client to the applicable LP Agreement);

    b) complete a Know-Your-Client form and waiver relating to suitability pursuant to section 13.3(4) of NI 31-103; and

    c) make a minimum investment of at least USD$10 million in the case of the US RE Funds, €5 million in the case of the Europe Core RE Fund and £10 million in the case of the UK Residential RE Fund unless the manager of the applicable RE Fund, in its discretion, agrees to a lower minimum investment amount.

13. When a Client enters into a Transaction, a US RE Fund will issue Trade Detail Reports and a Luxembourg RE Fund will issue Contract Notes.

14. Each quarter, a US RE Fund will issue NAV Statements and a Luxembourg RE Fund will issue a Register.

15. The LP Agreements for the US RE Funds and the UK Residential Fund and the Management Regulations for the Europe Core RE Fund:

    a) disclose the management fees payable by the Client;

    b) in the case of the US RE Funds, require that management fees be paid quarterly in arrears and permit the general partner to net such fees against quarterly distributions paid by the US RE Funds; and

    c) set out any other terms and conditions for the Client's account.

16. Each US RE Fund calculates a NAVPS once a calendar quarter on the last business day of such calendar quarter. This NAVPS is used to calculate the number of securities issued to or redeemed by a Client in the following calendar quarter. Transactions for the US RE Funds are usually processed on the first business day of a calendar quarter. Purchases are usually settled on the first business day of a calendar quarter. Redemptions are partially settled on the first business day of a calendar quarter, and are usually fully settled within 10 business days of the start of a calendar quarter. No other trading activity occurs during a calendar quarter. Accordingly, the US RE Funds do not issue NAV Statements intra-quarter.

    Other than under the rare circumstances described below, each Luxembourg Fund calculates a NAVPS once a calendar quarter on the last business day of such calendar quarter. This NAVPS is used to calculate the number of securities issued to or redeemed by a Client in the following calendar quarter. Purchases and redemptions are usually processed within the first 20 business days of the start of a calendar quarter. Transactions are settled on the date of receipt of the contribution from the Client or payment of the proceeds to the Client, as the case may be.

    Payment of distributions by the Luxembourg Funds occur within 6 weeks of the start of a calendar quarter and reinvestment of distributions are processed at the last NAVPS (discounted by the distribution per security paid) calculated by the manager.

    The Luxembourg Funds may calculate a NAVPS more than once in a quarter if the manager determines, in its sole discretion, that the calculation of additional NAVPS is desirable and that transactions should be processed using the additional NAVPS. For example, if the Luxembourg Fund unexpectedly closes a real estate acquisition transaction intra-quarter, it may calculate a NAVPS and issue securities to fund that transaction. In these situations, the Luxembourg Fund will issue a Contract Note on the issuance of the securities to the Client. The Register will be issued at the end of the applicable calendar-quarter.

17. The Filer provides certain client servicing functions to the Client, for example providing information on a RE Fund's performance, portfolio holdings or attributes to the Client, upon request, and facilitating any Transactions by the Client (**Client Servicing Functions**). Other than the provision of the Client Servicing Functions, the Filer does not provide record-keeping, bookkeeping, custody or other administrative functions (collectively, **Account Services**) for the Clients. Such Account Services (other than custody as these services are provided by the Clients' custodian) are provided by the applicable RE Fund with respect to the Client's interest in such RE Fund.

18. The Filer does not receive any money or securities directly from the Client. The Client pays and receives any cash pursuant to Transactions directly to or from the applicable RE Fund.

19. The Filer receives copies of the Trade Detail Reports and NAV Statements (in the case of the US RE Funds) and Contract Notes and Registers (in the case of the Luxembourg RE Funds) which are issued to the Client by the applicable RE Fund. Each quarter, the Filer will reconcile any notices of Transactions received from the Client with the Trade Detail Reports and NAV Statements received from the US RE Funds and Contract Notes and Registers received from the Luxembourg RE Funds.

20. Other than Client Servicing Functions, the manager of the applicable RE Fund has or will have the primary relationship with a Client and is contractually responsible for overall trade monitoring, reporting trade confirmations and sending out statements.

21. Pursuant to:

    a) certain legislative provisions of the Coordinated Exemption Decision Makers, the Filer is required to issue Confirmations to a Client;

    b) certain legislative provisions of the regulatory authority or regulator in Newfoundland, the Filer is required to issue Statements to a Client;

    c) section 14.12(1) of NI 31-103, the Filer is required to issue Confirmations to a Client which Confirmations must include certain mandated information; and

    d) sections 14.14(1) and 14.14(2) of NI 31-103, the Filer is required to issue Statements to a Client which Statements must include certain mandated information.

22. The Trade Detail Reports and Contract Notes do not contain the following information required for a Confirmation:

    a) whether the Filer is acting as agent or principal in a transaction;

    b) the name of the dealing representative in the transaction;

    c) the settlement date of the transaction; and

    d) the fact that the applicable RE Fund is a connected issuer to the Filer.

23. The NAV Statements do not contain the following information required for a Statement:

    a) the date of every Transaction during the period;

    b) the number of securities purchased, redeemed or reinvested pursuant to each Transaction during the period when management fees are netted from dividend reinvestments; and

    c) the NAVPS at the time of the Transaction.

24. The provision of Confirmations to Clients by the Filer is:

    a) duplicative and confusing as the Trade Detail Reports issued by the US RE Funds and the Contract Notes issued by the Luxembourg RE Funds contain all pertinent information requested by Clients; and

    b) not necessary to establish an audit trail of purchases and redemptions made by a Client with an RE Fund

    because:

        (i) prior to the purchase of any securities of an RE Fund and for the duration of a Client's investment in an RE Fund, the dealing representatives of the Filer are in contact with the Client, so the Client will be aware of the name of the dealing representative and the Filer's role in the Transactions; and

        (ii) the RE Fund's name and the Filer's name both start with the word "Invesco", so a Client will not be confused as to the nature of the relationship between the Filer and the RE Fund.

25. The provision of Statements to Clients by the Filer is:

    a) duplicative and confusing as the NAV Statements issued by the US RE Funds and the Registers issued by the Luxembourg RE Funds contain all pertinent information requested by Clients; and

    b) not necessary to establish an audit trail of purchases and redemptions made by a Client with an RE Fund

    because in the case of:

        (i) the Luxembourg RE Funds, all of the mandated information in a Statement is contained in the Register; and

        (ii) the US RE Funds, all of the mandated information in a Statement is contained in the NAV Statements other than:

            (I) the trade dates and settlement dates of the Transactions. These dates occur on the dates set out in representation 16 so a Client will not be confused as to when Transactions are traded and settled;

            (II) the number of securities purchased, redeemed or reinvested pursuant to each Transaction during the period when management fees are netted from dividend reinvestments. This fact is disclosed in the NAV Statement, so a Client will be aware of the number of securities issued after netting, though not of the individual transactions; and

            (III) the NAVPS at the time of the Transaction. This is disclosed in the NAV Statement, though not immediately next to the Transaction, so a Client will be aware of the NAVPS.

26. Current Clients of the Filer invested in US Core RE Fund have requested that the Confirmations and Statements be suppressed.

Decision

Each of the Principal Regulator, the Coordinated Exemption Decision Makers and the regulatory authority or regulator in Newfoundland is satisfied that the decision meets the test set out in the legislation of the jurisdiction for the relevant securities regulatory authority or regulator to make the decision.

The decision of the Principal Regulator under the legislation of Ontario is that the Passport Exemption is granted, the decision of the Coordinated Exemption Decision Makers under the legislation of the Coordinated Exemption Decision Makers is that the Coordinated Exemption is granted and the decision of the securities regulatory authority or regulator in Newfoundland under the legislation of that jurisdiction is that the Newfoundland Exemption is granted, provided that:

(a) the Filer provides to each prospective Client an OM or a notice pursuant to Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* which must include:

    (i) a statement that the Filer will not provide Confirmations and Statements;

    (ii) a listing of the information relating to trades and the Client's holdings in the applicable RE Fund that will be contained in Trade Detail Reports and NAV Statements issued by a US RE Fund or Contract Notes and Register issued by a Luxembourg RE Fund; and

    (iii) a listing of the information that will be omitted from the Trade Detail Reports and NAV Statements (in the case of US RE Funds) and the Contract Notes and Registers (in the case of Luxembourg RE Funds) that would otherwise be found in Confirmations and Statements;

(b) each new Client waives in writing the right to receive Confirmations and Statements, and if a Client subsequently requests Confirmations or Statements, the Filer immediately commences issuing Confirmations or Statements, as the case may be, to that Client;

(c) in Transactions, the Filer acts as dealer only for Clients that are "permitted clients" within the meaning of section 1.1 of NI 31-103 and not individual investors;

(d) the applicable RE Fund issues Trade Detail Reports and NAV Statements or Contract Notes and Registers which include the information required for Confirmations and Statements, as the case may be, except for the

information set out in representations 22 and 23; and that the Trade Detail Reports and NAV Statements are substantially similar to those delivered by the RE Fund to other investors in the RE Fund;

(e) The US RE Funds are managed in the United States and are primarily offered to investors that are not residents of Canada;

(f) The Luxembourg RE Funds are managed in Luxembourg and are primarily offered to investors that are not residents of Canada;

(g) The RE Funds generally only transact purchases or redemption trades on a quarterly basis; and

(h) the minimum investment for purchases of securities of an RE Fund by a Client is set out under representation 12(c).

"Christopher Portner"
Commissioner

"Timothy Mosely"
Commissioner

Director Relief under Section 15.1 of NI 31-103
In the Matter of Invesco Canada Ltd.

The Director is satisfied that the Decision meets the test set out in the securities legislation of Ontario (the **Legislation**) for the Director to make the Decision.

The Decision of the Director under the Legislation is that the Passport Exemption is granted.

"Marrianne Bridge"
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission

2.2 Orders

2.2.1 Hi Ho Silver Resources Inc. – s. 144

Headnote

Application by an issuer for a revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer failed to file certain continuous disclosure materials required by Ontario securities law – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – cease trade order revoked.

Statutes Cited

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

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

AND

IN THE MATTER OF
HI HO SILVER RESOURCES INC.

ORDER
(Section 144)

WHEREAS the securities of Hi Ho Silver Resources Inc. (the **Applicant**) are subject to a cease trade order made by the Director dated December 30, 2015 (the **Ontario Cease Trade Order)** under paragraph 2 of subsection 127(1) and subsection 127(5) of the *Securities Act* (Ontario) (the **Act**), directing that all trading in the securities of the Applicant cease until the Ontario Cease Trade Order is revoked by the Director;

AND WHEREAS the Ontario Cease Trade Order was made on the basis that the Applicant was in default of certain filing requirements under Ontario securities law as described in the Ontario Cease Trade Order;

AND WHEREAS the Applicant has applied to the Ontario Securities Commission (the **Commission**) under section 144 of the Act to revoke the Ontario Cease Trade Order;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was formed on April 7, 2005 under the *Canada Business Corporations Act*.

2. The Applicant's head office is located at Suite 201 – 1090 West Pender Street, Vancouver, British Columbia, V6E 2N7.

3. The Applicant is a reporting issuer under the securities legislation of the provinces of British Columbia, Alberta and Ontario (**Reporting Jurisdictions**) and is not a reporting issuer in any other jurisdiction.

4. The Applicant's authorized share capital consists of an unlimited number of common shares (the **Common Shares**). As of the date hereof there are 169,927,727 Common Shares issued and outstanding.

5. The Applicant does not have any outstanding debt securities.

6. The Applicant is also subject to a cease trade order issued by the British Columbia Securities Commission dated December 11, 2015 (the **BC Cease Trade Order**) (together with the Ontario Cease Trade Order, the **Cease Trade Orders**). The Applicant has concurrently applied for revocation of the BC Cease Trade Order. The Alberta Securities Commission has not issued a cease trade order against the Applicant.

7. The Applicant's common shares were listed on the Canadian Securities Exchange (the **CSE**) on August 31, 2006 and subsequently suspended and halted by the CSE on February 4, 2016. The Applicant's common shares are not listed on any other exchange or market in Canada or elsewhere.

8. The Cease Trade Orders were issued as a result of the Applicant's failure to file its audited annual financial statements and related management discussion and analysis (**MD&A**) for the year ended July 31, 2015 within the prescribed timeframe as required under National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**).

9. The Applicant subsequently failed to file other continuous disclosure documents with the Commission within the prescribed timeframe in accordance with the requirements of securities law, including its interim financial statements, related MD&A and certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**) for the periods ended October 31, 2015, January 31, 2016 and April 30, 2016.

10. Since the issuance of the Cease Trade Orders, the Applicant has filed, the following continuous disclosure documents with the Reporting Jurisdictions:

    a. audited annual financial statements, MD&A and NI 52-109 certificates for the year ended July 31, 2015;

    b. interim financial statements, MD&A and NI 52-109 certificates for the 3 month period ended October 31, 2015;

    c. interim financial statements, MD&A and NI 52-109 certificates for the 6 month period ended January 31, 2016; and

d. interim financial statements, MD&A and NI 52-109 certificates for the 9 month period ended April 30, 2016.

11. The Applicant has paid all outstanding filing fees, participation fees and late filing fees that are required to be paid to the Commission and has filed all forms associated with such payments.

12. The Applicant (i) is up-to-date with all of its other continuous disclosure obligations; (ii) is not in default of any of its obligations under the Ontario Cease Trade Order; and (iii) is not in default of any requirements under the Act or the rules and regulations made pursuant thereto.

13. Since the issuance of the Cease Trade Orders, there have not been any material changes in the business, operations or affairs of the Applicant that have not been disclosed to the public.

14. As of the date hereof, the Applicant's profiles on the System for Electronic document Analysis and Retrieval (SEDAR) and the System for Electronic Disclosure by Insiders (SEDI) are current and accurate.

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

16. The Applicant has given the Commission a written undertaking that the Applicant will hold an annual meeting of shareholders within three months after the date on which the Ontario Cease Trade Order is revoked.

17. Upon the issuance of this revocation order, the Applicant will issue a news release announcing the revocation of the Ontario Cease Trade Order. The Applicant will concurrently file the news release and a material change report regarding the revocation of the Ontario Cease Trade Order on SEDAR.

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

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to revoke the Ontario Cease Trade Order.

IT IS ORDERED pursuant to section 144 of the Act that the Ontario Cease Trade Order is hereby revoked.

DATED at Toronto this 4th day of August, 2016

"Michael Tang"
Acting Manager, Corporate Finance

2.2.2 Jetcom Inc. – s. 144(1)

Headnote

Section 144(1) – Application to vary a cease trade order – cease trade order varied to permit beneficial shareholders, who are not insiders or control persons, to sell securities outside of Canada, 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, c. S.5, AS AMENDED
(THE "ACT")**

AND

**IN THE MATTER OF
JETCOM INC.**

**ORDER
(Section 144(1) of the Act)**

WHEREAS the securities of Jetcom Inc. (the "**Issuer**") are subject to a temporary cease trade order issued by the Director on May 8, 2015 pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order issued by the Director on May 20, 2015 pursuant to paragraph 2 of subsection 127(1) of the Act (the "**Cease Trade Order**"), directing that trading in securities of the Issuer cease until further order by the Director;

AND WHEREAS a cease trade order with respect to the Issuer's securities was also issued by the Alberta Securities Commission on August 19, 2015 and the British Columbia Securities Commission on May 11, 2015;

AND WHEREAS the Issuer's securities are not listed on and do not trade on any exchange in Canada;

AND WHEREAS shareholders of the Issuer have made an application to the Commission pursuant to section 144(1) of the Act to vary the Cease Trade Order;

AND UPON the Director being satisfied that:

a) the terms and conditions to the Cease Trade Order put Ontario resident shareholders of the Issuer at a disadvantage to certain shareholders who are free to trade their shares over a foreign market; and

b) it is not prejudicial to the public interest to vary the Cease Trade Order under section 144(1) of the Act;

IT IS ORDERED that, pursuant to section 144(1) of the Act, the Cease Trade Order be varied by including the following section:

Despite this order, a beneficial shareholder of Jetcom Inc., who is not, and was not as at May 8, 2015, an insider or control person of Jetcom Inc., may sell securities of Jetcom Inc. acquired before May 8, 2015, if:

1. the sale is made through a market outside of Canada; and

2. the sale is made through an investment dealer registered in Ontario.

DATED this 19th day of August, 2016.

"Sonny Randhawa"
Deputy Director,
Corporate Finance Branch
Ontario Securities Commission

2.2.3 Authorization Order – s. 3.5(3)

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

AND

IN THE MATTER OF
AN AUTHORIZATION PURSUANT TO
SUBSECTION 3.5(3) OF THE ACT

AUTHORIZATION ORDER
(Subsection 3.5(3))

WHEREAS a quorum of the Ontario Securities Commission (the "Commission") may, pursuant to subsection 3.5(3) of the Act, in writing authorize any member of the Commission to exercise any of the powers and perform any of the duties of the Commission, including the power to conduct contested hearings on the merits.

AND WHEREAS, by an authorization order made on February 12, 2016, pursuant to subsection 3.5(3) of the Act ("Authorization"), the Commission authorized each of MAUREEN JENSEN, MONICA KOWAL, D. GRANT VINGOE, MARY G. CONDON, EDWARD P. KERWIN, JANET LEIPER, ALAN J. LENCZNER, TIMOTHY MOSELEY, and CHRISTOPHER PORTNER acting alone, to exercise, subject to subsection 3.5(4) of the Act, the powers of the Commission to grant adjournments and set dates for hearings, to hear and determine procedural matters, and to make and give any orders, directions, appointments, applications and consents under sections 5, 11, 12, 17, 19, 20, 122, 126, 127, 128, 129, 144, 146 and 152 of the Act that the Commission is authorized to make and give, including the power to conduct contested hearings on the merits.

NOW, THEREFORE, IT IS ORDERED that the Authorization is hereby revoked;

THE COMMISSION HEREBY AUTHORIZES, pursuant to subsection 3.5(3) of the Act, each of MAUREEN JENSEN, MONICA KOWAL, D. GRANT VINGOE, EDWARD P. KERWIN, JANET LEIPER, ALAN J. LENCZNER, TIMOTHY MOSELEY, and CHRISTOPHER PORTNER acting alone, to exercise, subject to subsection 3.5(4) of the Act, the powers of the Commission to grant adjournments and set dates for hearings, to hear and determine procedural matters, and to make and give any orders, directions, appointments, applications and consents under sections 5, 11, 12, 17, 19, 20, 122, 126, 127, 128, 129, 140, 144, 146 and 152 of the Act that the Commission is authorized to make and give, including the power to conduct contested hearings on the merits; and

THE COMMISSION FURTHER ORDERS that this Authorization Order shall have full force and effect until revoked or such further amendment may be made.

DATED at Toronto, this 19th day of August, 2016.

"Deborah Leckman"
Commissioner

"Timothy Moseley"
Commissioner

2.2.4 Rock Energy Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

Citation: Re Rock Energy Inc., 2016 ABASC 227

August 11, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO
(THE JURISDICTIONS)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
ROCK ENERGY INC.
(THE FILER)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **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 Alberta Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that sub-section 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; 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* or MI 11-102 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.

"Denise Weeres"
Manager, Legal,
Corporate Finance
Alberta Securities Commission

2.2.5 First Asset Fund Corp. – s. 158(1.1) of the OBCA

Headnote

Order pursuant to section 158(1.1) of the Business Corporations Act (Ontario) that an offering corporation is permitted to dispense with its audit committee – Issuer is an investment fund – Issuer not required to have an audit committee under securities laws.

Applicable Legislative Provisions

Business Corporations Act, R.S.O. 1990, c. B.16, s. 158(1.1).
National Instrument 52-110 Audit Committees.
National Instrument 81-106 Investment Fund Continuous Disclosure.
National Instrument 81-107 Independent Review Committee for Investment Funds.

August 23, 2016

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT,
R.S.O. 1990, CHAPTER B. 16, AS AMENDED
(the "OBCA")

AND

IN THE MATTER OF
FIRST ASSET FUND CORP.

ORDER
(Subsection 158(1.1) of the OBCA)

UPON the application of First Asset Fund Corp. (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to subsection 158(1.1) of the OBCA for a determination that the Applicant be authorized to dispense with an audit committee;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a mutual fund corporation amalgamated under the laws of the Province of Ontario pursuant to articles of amalgamation dated May 3, 2016, and is a reporting issuer in all provinces and territories of Canada.

2. The authorized capital of the Applicant includes an unlimited number of non-cumulative, redeemable, non-voting classes of shares (each a "Corporate Class"), issuable in an unlimited number of series, and one class of voting shares designated as "Class J Shares".

3. Each Corporate Class is a separate investment fund (each a "**First Asset ETF**") having specific investment objectives and is specifically referable to a separate portfolio of investments. Each First Asset ETF currently consists of a single series of exchange traded fund shares ("**Shares**").

4. As at August 4, 2016, there are eight (8) First Asset ETFs as follows:

First Asset ETF	***TSX Ticker Symbol***
First Asset Short Term Government Bond Index Class ETF	FGB
First Asset Global Momentum Class ETF	FGL
First Asset Global Momentum (CAD Hedged) Class ETF	FGM
First Asset Global Value Class ETF	FGU
First Asset Global Value (CAD Hedged) Class ETF	FGV
First Asset CanBanc Income ETF	CIC
First Asset Core Canadian Equity Income Class ETF	CSY
First Asset MSCI Canada Quality Index Class ETF	FQC

Each First Asset ETF is hereinafter referred to by its ticker symbol.

5. As at August 4, 2016, the issued and outstanding capital of each First Asset ETF is as follows:

First Asset ETF	*Units Issued and Outstanding*
FGB	2,300,000
FGL	50,000
FGM	50,000
FGU	50,000
FGV	50,000
CIC	12,821,193
CSY	1,846,954
FQC	916,265

6. The Shares of each First Asset ETF are offered on a continuous basis pursuant to a prospectus dated February 23, 2016 (in respect of FGB, FGL, FGM, FGU, FGV) or a prospectus dated April 1, 2016 (in respect of CIC, CSY and FQC).

7. First Asset Investment Management Inc. ("**First Asset**") is the manager of the Applicant pursuant to a management agreement between First Asset and the Applicant. First Asset is a corporation formed under the laws of the Province of Ontario.

8. First Asset is registered as a portfolio manager in Ontario and as an investment fund manager under the securities legislation of each of Ontario, Quebec and Newfoundland and Labrador. First Asset is a subsidiary of CI Financial Corp.

9. Neither the Applicant nor First Asset is in default of the applicable securities legislation of any province or territory of Canada.

10. The Applicant is a mutual fund as defined in Section 1.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**").

11. National Instrument 52-110 *Audit Committees* does not apply to reporting issuers that are investment funds.

12. The Applicant is subject to the investment fund specific continuous disclosure and conflict of interest rules found in NI 81-106 and National Instrument 81-107 *Independent Review Committee for Investment Funds*.

13. In accordance with NI 81-106, the board of directors of the Applicant approves, or will approve, the financial statements of the First Asset ETFs before such financial statements are filed or made available to investors.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the Applicant's shareholders.

IT IS ORDERED, pursuant to subsection 158(1.1) of the OBCA, that the Applicant is authorized to dispense with an audit committee for so long as applicable securities legislation does not require the Applicant to have an audit committee.

"Christopher Portner"
Commissioner
Ontario Securities Commission

"Tim Moseley"
Commissioner
Ontario Securities Commission

2.2.6 Trimac Transportation Services Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceases to be a reporting issuer under securities legislation – more than 15 securityholders in a jurisdiction.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

Citation: Re Trimac Transportation Services Inc., 2016 ABASC 210

July 25, 2016

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
TRIMAC TRANSPORTATION SERVICES INC.
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from Trimac Transportation Ltd. (**TTL**), the predecessor entity of the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer (which includes its predecessor entity, TTL) 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 Alberta Securities Commission 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 British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, North West Territories, Yukon and Nunavut, 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* or MI 11-102 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's head office is located in Calgary, Alberta.

2. The Filer is a reporting issuer in all of the jurisdictions of Canada.

3. On June 30, 2016, TTL, a reporting issuer the Class A Common Shares (**Common Shares**) of which were listed on the TSX, completed a going private transaction by way of plan of arrangement (**Plan of Arrangement**) pursuant to the *Business Corporations Act* (Alberta) whereby Trimac Holdings Ltd. (**THL**) indirectly acquired the remaining Common Shares of TTL that it did not already own. The full details of the Plan of Arrangement and the intention of the Filer to make an application to cease to be a reporting issuer are contained in a management information circular of TTL dated May 25, 2016 and filed on SEDAR.

4. Pursuant to the Plan of Arrangement, THL's wholly owned subsidiary 1968619 Alberta Ltd., TTL and a predecessor, Trimac Transportation Services Inc., a wholly-owned subsidiary of TTL, were amalgamated under the name Trimac Transportation Services Inc. creating the Filer.

5. Following the Plan of Arrangement, the only outstanding securities of the Filer are as follows:

   (a) 17,725,282 common shares of the Filer, all of which are held by THL; and

   (b) 125,010 PSUs (as defined below) which are held by a total of 22 employees of the Filer.

6. The 22 employees of the Filer, 15 of whom are residents in Alberta, continue to hold vested and unvested share awards (**PSUs**) previously granted in the normal course under the Filer's performance share unit plan (**PSU Plan**). The Plan of Arrangement did not require either the termination of the vested PSUs or the acceleration of vesting

of PSUs under Filer's PSU Plan. The PSUs granted under the PSU Plan will continue to exist in accordance with the terms of such plan. The Filer intends to satisfy its obligations in connection with the PSUs in accordance with the terms of the PSU Plan, which facilitates a cash payment in satisfaction of the Filer's obligations.

7. The Common Shares of TTL have been delisted from the TSX as of the close of business on July 6, 2016.

8. The Filer's outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada other than Alberta and by fewer than 51 securityholders in total worldwide.

9. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.

10. 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.

11. The Filer is not in default of securities legislation in any of the jurisdictions of Canada.

12. Following the Order Sought being granted, the Filer will not be a reporting issuer in any jurisdiction of Canada.

13. The Filer has no current intention to conduct a financing by way of a distribution of its securities.

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.

"Denise Weeres"
Manager, Legal
Corporate Finance

2.2.7 Douglas John Vermeeren – s. 127(1)

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

AND

**IN THE MATTER OF
DOUGLAS JOHN VERMEEREN**

**ORDER
(Subsection 127(1) of the Securities Act)**

WHEREAS:

1. On June 14, 2016, Douglas John Vermeeren entered into a Settlement Agreement and Undertaking with the Alberta Securities Commission in which Vermeeren agreed to certain undertakings and to be made subject to sanctions, conditions and restrictions within the province of Alberta (the "**Settlement Agreement**");

2. On August 2, 2016:

   a. Staff of the Ontario Securities Commission (the "**Commission**") filed a Statement of Allegations in which Staff seeks an Order imposing various sanctions against Vermeeren; and

   b. the Commission issued a Notice of Hearing in respect of the Statement of Allegations;

3. Vermeeren consents to this Order, which imposes sanctions consistent with the non-monetary sanctions contained in the Settlement Agreement, as appears from the Consent that Vermeeren executed on August 11, 2016;

4. Pursuant to paragraph 5 of subsection 127(10) of the *Securities Act*, an agreement to be made subject to sanctions, conditions, restrictions or requirements by a securities regulatory authority, in any jurisdiction, may form the basis for an Order made under subsection 127(1) of the *Securities Act*;

5. Vermeeren has cooperated fully with Staff of the Commission; and

6. The Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED THAT:

1. Pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, trading in any securities or derivatives by Vermeeren shall cease until June 14, 2026, except that Vermeeren is not

precluded, in his personal capacity or for the benefit of his family only, from trading in exchange-listed securities through a registrant (who has first been given a copy of the Settlement Agreement and a copy of this Order) in one or more personal or family accounts maintained with that registrant;

2. Pursuant to paragraph 2.1 of subsection 127(1) of the *Securities Act*, the acquisition of any securities by Vermeeren shall cease until June 14, 2026, except that Vermeeren is not precluded, in his personal capacity or for the benefit of his family only, from purchasing exchange-listed securities through a registrant (who has first been given a copy of the Settlement Agreement and a copy of this Order) in one or more personal or family accounts maintained with that registrant;

3. Pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the *Securities Act*, Vermeeren shall resign any positions that he holds as a director or officer of any issuer, registrant or investment fund manager; and

4. Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the *Securities Act*, Vermeeren is prohibited until June 14, 2026 from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, except that he may become or continue to act as a director or officer (or both) of any issuer that does not issue or propose to issue securities to the public.

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

"Timothy Moseley"

2.2.8 Nordex Explosives Ltd.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s.1(10)(a)(ii).

August 26, 2016

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
NORDEX EXPLOSIVES LTD.
(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 Ontario Securities Commission 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 British Columbia, Alberta and Quebec.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 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.

"Sonny Randhawa"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.2.9 Blue Gold Holdings Ltd. et al. – Rule 17.3 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
BLUE GOLD HOLDINGS LTD.,
DEREK BLACKBURN, RAJ KURICHH
AND NIGEL GREENING

ORDER
(Rule 17.3 of Ontario Securities Commission Rules of Procedure)

WHEREAS:

1. On March 11, 2015, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5 (the "**Act**") in connection with a Statement of Allegations dated March 11, 2015, filed by Staff of the Commission with respect to Derek Blackburn and Blue Gold Holdings Ltd., Raj Kurichh and Nigel Greening (collectively, the "**Respondents**");

2. The Commission held the hearing on the merits on April 18, 20, 25 and 26, 2016;

3. The Commission issued its Reasons and Decision on the merits on July 26, 2016, wherein the Panel concluded there had been contraventions of the Act by the Respondents and the Panel required Staff to take steps to arrange a hearing regarding sanctions; and

4. Staff took the required steps to arrange the hearing regarding sanctions and the Respondents did not object to the proposed schedule;

IT IS ORDERED that:

1. Staff shall serve and file Staff's written submissions on sanctions and costs by September 9, 2016;

2. The Respondents shall serve and file their responding written submissions on sanctions and costs by October 7, 2016;

3. Staff shall serve and file Staff's reply submissions, if any, by October 21, 2016;

4. The hearing to determine sanctions and costs will be held at the offices of the Commission at 20 Queen Street West, Toronto, Ontario, on Friday, November 4, 2016, at 10:00 a.m.; and

5. In the event of the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and the party is not entitled to any further notice of the proceeding.

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

"Alan Lenczner"

"Janet Leiper"

"Timothy Moseley"

2.2.10 The Falls Capital Corp. et al. – Rule 11.5 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
THE FALLS CAPITAL CORP.,
DEERCREST CONSTRUCTION FUND INC.,
WEST KARMA LTD. and
RODNEY JACK WHARRAM

ORDER
(Rule 11.5 of the Ontario Securities Commission Rules of Procedure)

WHEREAS:

1. On August 2, 2016, Staff of the Ontario Securities Commission (the "**Commission**") filed a Statement of Allegations, in which Staff seeks an order imposing sanctions against The Falls Capital Corp., Deercrest Construction Fund Inc., West Karma Ltd., and Rodney Jack Wharram (collectively, the "**Respondents**");

2. On August 2, 2016, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting August 29, 2016 as the hearing date;

3. On August 22, 2016, Staff filed an affidavit of service sworn by Lee Crann that day, describing steps taken by Staff to serve the Respondents with the Notice of Hearing, Statement of Allegations and Staff's disclosure materials; and

4. At the hearing on August 29, 2016:

   a. Staff appeared before the Commission and made submissions;

   b. The Respondents 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 Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168, and subsection 5.1(1) of the *Statutory Powers Procedure Act*, RSO 1990, c S.22;

IT IS ORDERED THAT:

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

2. Staff's written materials shall be served and filed no later than September 8, 2016;

3. The Respondents' responding written materials, if any, shall be served and filed no later than October 6, 2016; and

4. Staff's reply written materials, if applicable, shall be served and filed no later than October 20, 2016.

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

"Timothy Moseley"

2.2.11 Eleven Evergreen Limited Partnership – s. 144

Headnote

Application by an issuer for a revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law – default subsequently remedied by bringing continuous disclosure filings up-to-date – cease trade order revoked.

Applicable Legislative Provisions

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, c. S.5, AS AMENDED (the "Act")

AND

IN THE MATTER OF
ELEVEN EVERGREEN LIMITED PARTNERSHIP

ORDER
(Section 144 of the Act)

WHEREAS the securities of Eleven Evergreen Limited Partnership (the "**Filer**") are subject to a cease trade order dated November 23, 2010 issued by the Director of the Ontario Securities Commission (the "**Commission**") pursuant to paragraph 2 of subsection 127(1) of the Act (the "**Cease Trade Order**") directing that all trading in securities of the Filer cease until further order by the Director;

AND WHEREAS the Cease Trade Order was made on the basis that the Filer was in default of certain filing requirements under Ontario securities law as described in the Cease Trade Order;

AND WHEREAS the Filer has applied to the Commission pursuant to section 144 of the Act for a revocation of the Cease Trade Order (the "**Application**");

AND WHEREAS the Filer having represented to the Commission as follows:

1. The Filer is a Limited Partnership formed pursuant to the laws of Manitoba pursuant to a limited partnership agreement dated July 27, 1982. The Filer's head office is located in Winnipeg, Manitoba.

2. The Filer is a reporting issuer in Manitoba, Ontario and Saskatchewan (the "**Reporting Jurisdictions**"). The Filer is not a reporting issuer in any Canadian jurisdiction other than the Reporting Jurisdictions. Manitoba is the Filer's principal regulator.

3. The Filer owns a 61.6% direct interest in a high-rise apartment complex, known as 11 Evergreen Place located in Winnipeg, Manitoba.

4. The general partner of the Filer is 5771723 Manitoba Ltd.

5. The authorized capital of the Filer is comprised of 750 Limited Partnership Units of which 462 Limited Partnership Units are issued and outstanding as of the date hereof (the "**Limited Partnership Units**"). Other than Limited Partnership Units, the Filer has no securities (including debt securities) issued and outstanding.

6. The Filer is also subject to a cease trade order issued by The Manitoba Securities Commission on November 3, 2010. An application has been made to The Manitoba Securities Commission for the revocation of such cease trade order.

7. At the time the Filer became a reporting issuer, Manitoba and Ontario only required the filing of semi-annual and annual financial statements. Subsequently, Ontario adopted quarterly reporting requirements, but the administrative practice at the time was to exempt limited partnerships from having to file first and third quarter financial statements.

8. National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") came into effect on March 31, 2004, which imposed first, second and third quarter interim filing requirements. The Filer failed to comply with these requirements.

9. The Filer requested the Director exercise the discretion provided for in Section 6 of National Policy 12-202 *Revocation of Certain Cease Trade Orders* and the Director has elected not to require the Filer to file all interim filings as required by NI 51-102 on the basis that the Filer has filed with the Commission and with the securities regulatory authorities in each jurisdiction where it is a reporting issuer via the System for Electronic Document Analysis and Retrieval (SEDAR):

   - audited annual financial statements for the years ended December 31, 2013, December 31, 2014 and December 31, 2015;
   - MD&A relating to the audited annual financial statements for the year-ended December 31, 2013, December 31, 2014 and December 31, 2015;
   - interim financial statements for the periods ended March 31, 2016, September 2015, June 2015, March 2015, September 2014, June 2014, March 2014, September 2013, and June 2013;
   - MD&A relating to interim financial statements for the periods ended March 31, 2016, September 2015, June 2015, March 2015, September 2014, June 2014, March 2014, September 2013, and June 2013; and
   - certification of the foregoing filings as required by NI 52-109

10. Other than as noted in paragraph 9, the Filer is not in default of any of its obligations as a reporting issuer under the Act or the rules and regulations made pursuant thereto.

11. The Filer has filed all applicable forms under Rule 13-502 *Fees* and paid all applicable participation and late filing fees that are required to be paid in each jurisdiction where it is a reporting issuer.

12. The Filer's SEDAR and SEDI profiles are up-to-date.

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

14. The Filer last held an annual general meeting of unitholders in November of 2011. The Applicant will call and hold an annual meeting of unitholders within three months after the date of this order.

15. The Filer, on issuance of this order, will issue and file a news release and material change report with respect to the revocation of the cease trade orders in Manitoba and Ontario.

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

AND UPON 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 Cease Trade Order is revoked.

DATED this 29th day of August, 2016

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

2.2.12 Waverley Corporate Financial Services Ltd. and Donald McDonald

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

AND

IN THE MATTER OF
WAVERLEY CORPORATE FINANCIAL SERVICES LTD.
AND
DONALD MCDONALD

ORDER

WHEREAS:

1. Waverley Corporate Financial Services Ltd. ("Waverley") is registered as an exempt market dealer and Donald McDonald ("McDonald") is registered as the Ultimate Designated Person and Chief Compliance Officer of Waverley;

2. on July 15, 2016, the Director of the Compliance and Registrant Regulation branch (the "Director") of the Ontario Securities Commission (the "Commission") issued a decision with respect to the registration of Waverley that:

    a. Waverley cease all activity conducted under the Issuer-Connected DR Model and shall not sponsor a dealing representative, except in accordance with Ontario securities law, effective 30 days from the date of her decision to allow for an orderly transition; and

    b. McDonald is required to successfully complete, and provide proof thereof, the Osgoode Certificate in Regulatory Compliance and Legal Risk Management for Financial Institutions, by no later than July 15, 2017

    (the "Director's Decision");

3. on July 20, 2016, Waverley (the "Applicant") requested a hearing and review of the Director's Decision by the Commission pursuant to s. 8(2) of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "*Act*") (the "Hearing and Review") and pursuant to s. 8(4) of the *Act*, the Applicant requested a stay of the Director's Decision pending the disposition of the Hearing and Review (the "Stay");

4. Waverley filed the affidavit of Donald McDonald sworn August 3, 2016 (the "McDonald Affidavit") in support of the Stay application which was heard on August 4, 2016;

5. on August 4, 2016, the Commission ordered that

    a. the Director's Decision be stayed, subject to the following condition:

        i. Waverley shall not file any applications for any new dealing representatives that are connected to an issuer within the meaning of the definition of "connected issuer" found at section 1.1 of National Instrument 33-105 *Underwriting Conflicts*, pending the Commission's decision on the Hearing and Review;

    b. the stay order shall continue in force until a decision is rendered by the Panel presiding over the Hearing and Review;

    c. the Applicant shall serve and file the record of the proceeding before the Director, any statement of fact and law and shall comply with Rule 14.5 of the OSC *Rules of Procedure* by August 22, 2016;

    d. Staff of the Commission shall deliver any record in response, any statement of fact and law and shall comply with Rule 14.5 by September 2, 2016;

    e. the Hearing and Review shall commence on September 12, 2016, at 10:00 am and shall continue on September 15, 2016, at 9 a.m.;

6. during the attendance on August 4, 2016, it was agreed that Staff would be sending counsel for Waverley a list of questions pertaining to the McDonald Affidavit (the "List of Questions") and that the parties could re-attend before the panel that heard the Stay application in the event of any disagreement regarding the List of Questions;

7. Staff submitted a List of Questions to Waverley on August 12, 2016 and Waverley objected to the List of Questions on August 15, 2016;

8. an attendance before the panel that heard the Stay application to address the List of Questions was scheduled for August 16, 2016 at 10:30 am;

9. upon hearing the submissions of counsel for Waverley and Staff; and

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

IT IS ORDERED THAT

(a) Waverley shall deliver the following information to Staff by the close of business on August 31, 2016:

i. trade blotters for all products sold by Waverley from January 2014 to March 2016, indicating, among other things, the name of the dealing representative ("DR") who sold the product and the amount of commission paid to that DR, to the extent applicable, in respect of the sale of the product;

ii. details of any amounts paid to Chris Wong ("Wong") and Zichao Liang ("Liang") by RESCO Mortgage Investment Corp. ("RESCO"), any of the officers, directors or shareholders of RESCO, any companies related to RESCO, including Radiance Mortgage Brokerage Inc. and any companies in relation to which any of the officers, directors or shareholders of RESCO are officers, directors or shareholders (the "RESCO Group"), details of any relationships between any members of the RESCO Group and Wong and details of any relationships between any members of the RESCO Group and Liang;

iii. details of any amounts paid to Morgan Marchant ("Marchant") and Jason Suchecki ("Suchecki") by MM Realty Partners LP ("MM Realty"), any of the officers, directors or shareholders of MM Realty, any companies related to MM Realty and any companies in relation to which any of the officers, directors or shareholders MM Realty are officers, directors or shareholders (the "MM Realty Group"), details of any relationships between any members of the MM Realty Group and Marchant and details of any relationships between any members of the MM Realty Group and Suchecki;

iv. copies of current DR agreements between Waverley and each of Chris Cheng, Wong, Liang, Marchant and Suchecki; and

v. if any other Waverley DRs are required to pay fees to Waverley as part of their DR agreement, to provide copies of the DR agreements for each of these DRs.

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

"Alan Lenczner"

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
Eleven Evergreen Limited Partnership	11 November 2010	23 November 2010	23 November 2010	29 August 2016

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
EnerGulf Resources Inc.	05 July 2016	23 August 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
DataWind Inc.	06 July 2016	18 July 2016	18 July 2016		
Northern Power Systems Corp.	31 March 2016	13 April 2016	13 April 2016		
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016		

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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:
FÉRIQUE Emerging Markets Fund
Principal Regulator – Quebec
Type and Date:
Preliminary Simplified Prospectus dated August 25, 2016
NP 11-202 Receipt dated August 26, 2016
Offering Price and Description:
Series A Units
Underwriter(s) or Distributor(s):
Services D'Investissement Ferique
Services d'investissment FÉRIQUE
Promoter(s):
Gestion Ferique
Project #2523908

Issuer Name:
Middlefield Healthcare & Wellness Dividend Fund
Principal Regulator – Alberta
Type and Date:
Preliminary Long Form Prospectus dated August 19, 2016
NP 11-202 Receipt dated August 23, 2016
Offering Price and Description:
Maximum Offering: $ * – * Units
Price: $10.00 per Unit
Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
GMP Securities L.P.
National Bank Financial Inc.
Canaccord Genuity Corp.
Raymomd James Ltd.
Dundee Securities Ltd.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Middlefield Capital Corporation
Promoter(s):
Middlefield Limited
Project #2522284

Issuer Name:
Slate Office REIT
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated August 23, 2016
NP 11-202 Receipt dated August 23, 2016
Offering Price and Description:
Treasury Offering: $43,978,025.00 – 5,204,500 Units
Secondary Offering: $6,721,975.00 – 795,500 Units
Price: $8.45 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
GMP Securities L.P.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Raymond James Ltd.
Canaccord Genuity Corp.
Echelon Wealth Partners Inc.
Promoter(s):
-
Project #2520303

Issuer Name:
Sprott 2016-II Flow-Through Limited Partnership
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated August 22, 2016
NP 11-202 Receipt dated August 23, 2016
Offering Price and Description:
Maximum Offering: $25,000,000.00 – 1,000,000 Limited Partnership Units
Minimum Offering: $5,000,000.00 – 200,000 Units
Price per Unit: $25.00
Minimum Subscription: $5,000.00 (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.
Manulife Securities Incorporated
Raymond James Ltd.
Sprott Private Wealth LP
Canaccord Genuity Corp.
Desjardins Securities Inc.
Promoter(s):
Sprott 1016-II Corporation
Project #2521654

Issuer Name:
Mackenzie Global Growth Class
(Quadrus series, H series, L series, N series and QF Series securities)
(A class of Mackenzie Financial Capital Corporation)
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated August 17, 2016 to the Simplified Prospectus and Annual Information Form dated June 29, 2016
NP 11-202 Receipt dated August 24, 2016
Offering Price and Description:
Quadrus series, H series, L series, N series and QF Series securities @ Net Asset Value
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Quadrus Investment Services Ltd.
Quadrus Investment Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2481507

Issuer Name:
Chemtrade Logistics Income Fund
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated August 26, 2016
NP 11-202 Receipt dated August 26, 2016
Offering Price and Description:
$125,000,000.00 – 5.00% Convertible Unsecured Subordinated Debentures
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.
RBC DOMINION SECURITIES INC.
GMP SECURITIES L.P.
RAYMOND JAMES LTD.
Promoter(s):
-
Project #2519280

Issuer Name:
Dynamic Global Equity Income Fund
Dynamic Global Strategic Yield Fund
Dynamic U.S. Equity Income Fund
Dynamic U.S. Strategic Yield Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectuses dated August 24, 2016
NP 11-202 Receipt dated August 24, 2016
Offering Price and Description:
Series A, F, FL, FN, L, N and O Units @ Net Asset Value
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
1832 Asset Management L.P.
Promoter(s):
1832 Asset Management L.P.
Project #2504489

Issuer Name:
Encana Corporation
Principal Regulator – Alberta
Type and Date:
Final Base Shelf Prospectus dated August 24, 2016
NP 11-202 Receipt dated August 24, 2016
Offering Price and Description:
US$6,000,000,000.00
Debt Securities, Common Shares, Class A Preferred Shares, Subscription Receipts, Warrants, Units, Share Purchase Contracts, Share Purchase Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2510027

Issuer Name:
Family Group Education Savings Plan
Family Single Student Education Savings Plan
Flex First Plan
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated August 25, 2016
NP 11-202 Receipt dated August 25, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2497072

Issuer Name:
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2, Series P3,
Series F5, Series P1T5, Series F8, Series T5, Series T8, Series S5, Series E1T5, Series E2T5 and
Series S8 shares of Fidelity Canadian Disciplined Equity® Class
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 and Series F8 shares of Fidelity Canadian Growth
Company Class
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 F5, Series P1T5, Series P2T5, Series P3T5, Series F8,
Series T5, Series T8, Series S5, Series E1T5, Series E2T5, Series E3T5 and Series S8 shares of
Fidelity Canadian Large Cap Class
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 T5, Series T8, Series
S5, Series E1T5, Series E2T5 and Series S8 shares of Fidelity Dividend Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2, Series F5,
Series P1T5, Series F8, Series T5, Series T8, Series S5, Series E1T5 and Series S8 shares of
Fidelity Greater Canada Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2,
Series P3, Series P4, Series F5, Series P1T5, Series F8, Series T5, Series T8, Series S5, Series
E1T5, Series E2T5 and Series S8 shares of Fidelity Special Situations Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2, Series P3,
Series P4, Series F5, Series P1T5, Series F8, Series T5, Series T8, Series S5, Series E1T5,
Series E2T5 and Series S8 shares of Fidelity True North® Class
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 P1T5, Series F8, Series T5, Series
T8, Series S5, Series E1T5, Series E2T5 and Series S8 shares of Fidelity Dividend Plus Class
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 P1T5, Series P2T5, Series F8,
Series T5, Series T8, Series S5, Series E1T5, Series E2T5 and Series S8 shares of Fidelity
American Disciplined Equity® Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2, Series P3,
Series F5, Series P1T5, Series F8, Series T5, Series T8, Series S5 and Series S8 shares of
Fidelity American Disciplined Equity® Currency Neutral Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2,
Series P3, Series P4, Series F5, Series P1T5, Series F8, Series T5, Series T8, Series S5, Series
E1T5, Series E2T5 and Series S8 shares of Fidelity Small Cap America Currency Neutral Class
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 T5,
Series T8, Series S5, Series E1T5 and Series S8 shares of Fidelity U.S. All Cap Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2, Series F5,
Series F8, Series T5, Series T8, Series S5, Series E1T5 and Series S8 shares of Fidelity U.S. All
Cap Currency Neutral Class
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 P1T5, Series F8, Series T5, Series
T8, Series S5, Series E1T5, Series E2T5 and Series S8 shares of Fidelity American Equity Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2,
Series P3, Series F5, Series P1T5, Series F8, Series T5, Series T8, Series S5, Series E1T5,
Series E2T5 and Series S8 shares of Fidelity American Equity Currency Neutral Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2,
Series P3, Series P4, Series F5, Series F8, Series T5, Series T8, Series S5, Series E1T5 and
Series S8 shares of Fidelity Event Driven Opportunities Class
Series A, Series B, Series E1, Series E2, Series F, Series P1, Series P2, Series P3, Series F5,
Series P1T5, Series F8, Series T5, Series T8, Series S5 and Series S8 shares of Fidelity China
Class
Series A, Series B, Series E1, Series E2, Series F, Series P1, Series F5, Series F8, Series T5,
Series T8, Series S5 and Series S8 shares of Fidelity Global Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2, Series P3,
Series P4, Series F5, Series F8, Series T5, Series T8, Series S5, Series E1T5 and Series S8
shares of Fidelity Global Disciplined Equity® Class
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 T5, Series T8, Series
S5, Series E1T5, Series E2T5 and Series S8 shares of Fidelity Global Dividend Class
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 F5, Series F8, Series T5, Series T8, Series S5, Series
E1T5 and Series S8 shares of Fidelity Global Large Cap Class
Series A, Series B, Series E1, Series E2, Series F, Series P1, Series P2, Series P3, Series P4,
Series T5, Series T8, Series S5 and Series S8 shares of Fidelity Global Large Cap Currency

Neutral Class
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 P1T5, Series P2T5, Series P3T5,
Series F8, Series T5, Series T8, Series S5, Series E1T5, Series E2T5, Series E3T5 and Series S8
shares of Fidelity NorthStar® Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2,
Series P3, Series P4, Series F5, Series P1T5, Series P2T5, Series P3T5, Series F8, Series T5,
Series T8, Series S5, Series E1T5, Series E2T5 and Series S8 shares of Fidelity NorthStar®
Currency Neutral Class
Series A, Series B, Series E1, Series E2, Series F, Series P1, Series P2, Series P3, Series P4,
Series P5, Series F5, Series P1T5, Series P2T5, Series P3T5, Series F8, Series T5, Series T8,
Series S5, Series E1T5 and Series S8 shares of Fidelity Global Concentrated Equity Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2,
Series F5, Series P1T5, Series F8, Series T5, Series T8, Series S5 and Series S8 shares of
Fidelity International Growth Class
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 P3T5, Series F8,
Series T5, Series T8, Series S5, Series E1T5, Series E2T5, Series E3T5 and Series S8 shares of
Fidelity Global Intrinsic Value Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2, Series F5,
Series P1T5, Series P2T5, Series P3T5, Series F8, Series T5, Series T8, Series S5, Series E1T5
and Series S8 shares of Fidelity Global Intrinsic Value
Currency Neutral Class
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2 and
Series P3 shares of Fidelity Global Health Care Class
Series A, Series B, Series E1, Series E2, Series F, Series P1, Series P2, Series P3, Series F5,
Series P1T5, Series F8, Series T5, Series T8, Series S5 and Series S8 shares of Fidelity Global
Real Estate Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2, Series P3,
Series P4, Series P5, Series F5, Series P1T5, Series F8, Series T5, Series T8, Series S5, Series
E1T5, Series E2T5 and Series S8 shares of Fidelity
Canadian Asset Allocation Class
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 F5, Series P1T5, Series P2T5, Series F8, Series T5,
Series T8, Series S5, Series E1T5, Series E2T5, Series E3T5 and Series S8 shares of Fidelity
Canadian Balanced Class
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 P1T5, Series P2T5, Series F8,
Series T5, Series T8, Series S5, Series E1T5, Series E2T5, Series E3T5, Series E4T5 and Series
S8 shares of Fidelity Monthly Income Class
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2, Series P3,
Series P4, Series F5, Series P1T5, Series P2T5, Series P3T5, Series P4T5, Series P5T5, Series
F8, Series T5, Series T8, Series S5, Series E1T5, Series E2T5, Series E3T5 and Series S8 shares
of Fidelity Global Income Class Portfolio
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2,
Series P3, Series F5, Series P1T5, Series F8, Series T5, Series T8, Series S5, Series E1T5,
Series E2T5 and Series S8 shares of Fidelity Balanced Class Portfolio
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2,
Series P3, Series P4, Series F5, Series P1T5, Series P2T5, Series P3T5, Series P4T5, Series
P5T5, Series F8, Series T5, Series T8, Series S5, Series E1T5, Series E2T5, Series E3T5 and
Series S8 shares of Fidelity Global Balanced Class Portfolio
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2, Series F5,
Series P1T5, Series F8, Series T5, Series T8, Series S5, Series E1T5, Series E2T5 and Series S8
shares of Fidelity Growth Class Portfolio
Series A, Series B, Series E1, Series E2, Series E3, Series F, Series P1, Series P2, Series P3,
Series F5, Series P1T5, Series F8, Series T5, Series T8, Series S5, Series E1T5, Series E2T5 and
Series S8 shares of Fidelity Global Growth Class Portfolio
Series A, Series B, Series E1, Series E2, Series E3, Series E4, Series F, Series P1, Series P2,
Series P3, Series P4, Series F5, Series P1T5, Series T5, Series S5, Series E1T5 and Series E2T5
shares of Fidelity Corporate Bond Class
Principal Regulator – Ontario

Type and Date:
Amendment #3 dated August 15, 2016 to the Simplified Prospectuses and Annual Information Form dated March 28, 2016
NP 11-202 Receipt dated August 23, 2016

Offering Price and Description:
-

Underwriter(s) or Distributor(s):
-

Promoter(s):
FIDELITY INVESTMENTS CANADA ULC

Project #2446109

Issuer Name:
First Asset Canadian Buyback Index ETF
First Asset Canadian Dividend Low Volatility Index ETF
First Asset U.S. Buyback Index ETF
First Asset U.S. Equity Multi-Factor Index ETF
First Asset U.S. Tactical Sector Allocation Index ETF
First Asset U.S. TrendLeaders Index ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated August 22, 2016
NP 11-202 Receipt dated August 24, 2016
Offering Price and Description:
Exchange traded fund securities at net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
First Asset Investment Management Inc.
Project #2501602

Issuer Name:
GreenSpace Brands Inc.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated August 25, 2016
NP 11-202 Receipt dated August 25, 2016
Offering Price and Description:
5,400,000 Common Shares
Price: $1.13 per Common Share
Underwriter(s) or Distributor(s):
Beacon Securities Limited
Canaccord Genuity Corp.
Cormark Securities Inc.
Promoter(s):
Matthew von Teichman
Project #2518149

Issuer Name:
Horizons Cdn High Dividend Index ETF
Horizons Cdn Select Universe Bond ETF
Horizons EURO STOXX 50® Index ETF
Horizons NASDAQ-100® Index ETF
Horizons S&P 500 CAD Hedged Index ETF
Horizons S&P 500® Index ETF
Horizons S&P/TSX 60 Index ETF
Horizons S&P/TSX Capped Energy Index ETF
Horizons S&P/TSX Capped Financials Index ETF
Horizons US 7-10 Year Treasury Bond CAD Hedged ETF
Horizons US 7-10 Year Treasury Bond ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated August 24, 2016
NP 11-202 Receipt dated August 26, 2016
Offering Price and Description:
Exchange traded securities at net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Horiozns ETFs Management (Canada) Inc.
Project #2509599

Issuer Name:
Horizons Seasonal Rotation ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated August 22, 2016
NP 11-202 Receipt dated August 24, 2016
Offering Price and Description:
Exchange traded fund securities at net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
AlphaPro Management Inc.
Project #2509561

Issuer Name:
Mackenzie Emerging Markets Opportunities Class
(Series A, D, F, FB, O, PW, PWF and PWX securities)
Mackenzie Global Growth Class
(Series A, D, F, FB, G, O, PW, PWF, PWT8, PWX and T8 securities)
Mackenzie US Growth Class
(Series A, D, F, FB, G, O, PW, PWF, PWX and T8 securities)
(Each a class of Mackenzie Financial Capital Corporation)
Principal Regulator – Ontario
Type and Date:
Amendment No. 6 dated August 17, 2016 to the Simplified Prospectuses dated September 29, 2015 for Mackenzie Global Growth Class and Mackenzie US Growth Class (amendment no. 6) and Amendment No. 7 dated August 17, 2016 (together with SP amendment no. 6, "Amendment No. 7") to the Annual Information Form dated September 29, 2015 for Mackenzie Emerging Markets Opportunities Class, Mackenzie Global Growth Class and Mackenzie US Growth Class.
NP 11-202 Receipt dated August 24, 2016
Offering Price and Description:
Series A, D, F, FB, G, O, PW, PWF, PWT8, PWX and T8 securities @ Net Asset Value
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
LBC Financial Services Inc
LBC Financial Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2380257

Issuer Name:
Mackenzie Global Growth Class
(Series LB, LM, and LX securities)
(A class of Mackenzie Financial Capital Corporation)
Principal Regulator – Ontario
Type and Date:
Amendment #5 dated August 17, 2016 to the Final Simplified Prospectus and Annual Information Form dated November 26, 2015
NP 11-202 Receipt dated August 24, 2016
Offering Price and Description:
Series LB, LM, and LX securities @ Net Asset Value
Underwriter(s) or Distributor(s):
LBC Financial Services Inc.
LBC Financial Services Inc
LBC Financial Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2404100

Issuer Name:
Picton Mahoney Fortified Equity Fund
Picton Mahoney Fortified Income Fund
Picton Mahoney Fortified Multi-Asset Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectuses dated August 19, 2016
NP 11-202 Receipt dated August 24, 2016
Offering Price and Description:
Class A, Class F, Class FT, Class T and Class I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Picton Mahoney Asset Management
Project #2509737

Issuer Name:
RBC 1-5 Year Laddered Canadian Bond ETF
RBC 1-5 Year Laddered Corporate Bond ETF
RBC Target 2016 Corporate Bond Index ETF
RBC Target 2017 Corporate Bond Index ETF
RBC Target 2018 Corporate Bond Index ETF
RBC Target 2019 Corporate Bond Index ETF
RBC Target 2020 Corporate Bond Index ETF
RBC Target 2021 Corporate Bond Index ETF
RBC Target 2022 Corporate Bond Index ETF
RBC Target 2023 Corporate Bond Index ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated August 25, 2016
NP 11-202 Receipt dated August 26, 2016
Offering Price and Description:
Units @ Net Asset Value
Underwriter(s) or Distributor(s):

Promoter(s):
RBC Global Asset Management Inc.
Project #2507980

Issuer Name:
Trilogy Energy Corp.
Principal Regulator – Alberta
Type and Date:
Final Base Shelf Prospectus dated August 25, 2016
NP 11-202 Receipt dated August 25, 2016
Offering Price and Description:
$300,000,000.00 – Debt Securities, Common Shares, Subscription Receipts, Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2520664

Issuer Name:
Victoria Gold Corp.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated August 23, 2016
NP 11-202 Receipt dated August 25, 2016
Offering Price and Description:
38,500,000.00 – Common Shares
Price: $0.65 per Offered Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
National Bank Financial Inc.
Cormark Securities Inc.
Echelon Wealth Partners Inc.
Paradigm Capital Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #2518456

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Bluesky Investment Counsel Inc.	Portfolio Manager	August 23, 2016
Consent to Suspension (Pending Surrender)	Rockvale Capital Management Inc.	Portfolio Manager	August 22, 2016
Voluntary Surrender	First Resource Capital Corp.	Exempt Market Dealer	August 26, 2016
Voluntary Surrender	Castellum Capital Management Inc.	Portfolio Manager	August 26, 2016

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 TSX – Amendments to Part VI of the TSX Company Manual – Notice of Approval

TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL
AMENDMENTS TO PART VI OF
THE TORONTO STOCK EXCHANGE COMPANY MANUAL

(September 1, 2016)

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits thereto for recognized exchanges, Toronto Stock Exchange ("**TSX**") has adopted, and the Ontario Securities Commission has approved, amendments to Part VI of the TSX Company Manual (the "**Manual**"). The proposed amendments provide for public interest changes and ancillary changes, and are collectively referred to as the "**Amendments**". The Amendments were published for public comment in a request for comments on April 28, 2016 ("**Request for Comments**").

Reasons for the Amendments

Dividend / distribution reinvestment plans ("**DRIPs**") have been adopted by many TSX-listed issuers to allow their existing holders to re-invest their cash dividends or distributions by purchasing additional securities. In certain instances, DRIPs may also allow security holders to purchase additional securities, in excess of the dividend or distribution, in compliance with applicable securities laws. These purchases are referred to as "optional cash payments".

There are many benefits to DRIPs. They allow listed issuers to preserve cash and encourage long-term investment in their securities. DRIPs are also a means for security holders to increase their investment in an issuer in a convenient and efficient way through commission-free purchases of securities, often at a discount to the market price. TSX estimates that DRIPs are utilized by approximately 200 TSX-listed issuers.

The Manual does not currently contain specific requirements relating to DRIPs. DRIPs that provide for the issuance of securities from treasury are treated as additional listings of securities under the general provisions of Section 615 of the Manual. Section 616 of the Manual sets out the customary documentation required for additional listings. TSX has historically relied on these provisions to approve DRIPs and list the securities issuable in connection with DRIPs. However, these requirements are general in nature and not specifically tailored to DRIPs.

As there are no specific requirements applicable to DRIPs in the Manual, TSX is frequently contacted by issuers or their legal advisors to understand how to implement a DRIP, list additional securities pursuant to a DRIP or amend a DRIP.

Section 617.1 is being implemented to provide a complete set of standards and practices applicable to DRIPs. TSX believes the introduction of these requirements in the Manual will provide greater transparency and a more efficient process for adopting DRIPs. This may ultimately translate into time and cost savings for TSX-listed issuers. The introduction of Section 617.1 is further warranted given the prevalence of DRIPs among TSX-listed issuers.

As a result, TSX has determined to implement the Amendments. Listed Issuers that have DRIPs in effect prior to the date of this Notice of Approval will be grandfathered and will not be required to comply with the Amendments until such time as such DRIPs are amended and require TSX approval. For greater clarity, the mere listing of additional securities under an existing DRIP pursuant to Section 617.1(c) without an amendment to the DRIP will not constitute an amendment that requires re-approval of the DRIP pursuant to Section 617.1(d) and a Listed Issuer will not be required to comply with the Amendments at the time of application to list additional securities.

Practices of Other Exchanges

None of Aequitas Neo Exchange, TSX Venture Exchange or the New York Stock Exchange have rules setting out specific requirements for DRIPs.

NASDAQ also does not have specific requirements related to DRIPs, but issuers are required to file a copy of the DRIP in connection with the issuer's application to list additional securities pursuant to a DRIP.

Summary of the Final Amendments

TSX received four comment letters in response to the Request for Comments. A summary of the comments submitted, together with TSX's responses, is attached as **Appendix A**. Overall, the commenters support the Amendments. TSX thanks all commenters for their feedback and suggestions.

As a result of the comment process, TSX has made non-material changes to the Amendments. These non-material changes include clarifying that:

(i) Section 617.1 applies to all plans[1] where existing securityholders are provided the opportunity to (a) reinvest their cash dividends or distributions by purchasing additional listed securities or (b) elect to receive additional listed securities from the listed issuer in lieu of cash dividends or distributions;

(ii) for purposes of Section 617.1(b)(i)a., listed issuers may calculate the VWAP using a minimum of 5 trading days and maximum of 20 trading days;

(iii) the limits placed on a listed issuer in Sections 617.1(b)(ii)a. and b. are not intended to be time-based restrictions imposed by TSX on the number of securities that may be issued pursuant to DRIPs; and

(iv) subject to compliance with applicable securities laws, securities distributed under a DRIP may be of a different class or series of security of the issuer than the class or series of security to which the dividend or distribution is attributable.

TSX has also made certain revisions to the drafting of the Amendments to clarify that (i) where a listed issuer proposes to amend a DRIP, a black-lined copy of the DRIP showing the amendments must be provided to TSX at least five (5) business days prior to the effective date of any amendment, and (ii) listed issuers cannot rely on Section 617.1 in regards to plans where listed securities are issuable on account of dividends or distributions of unlisted securities, except in limited circumstances.

A blackline of the Amendments showing changes made since they were published in the Request for Comments, is attached as **Appendix B.**

Text of the Amendments

Please refer to the text of new Section 617.1 and to the ancillary amendments to Sections 329, 423.12 and Part XI at Appendix C.

Effective Date

The Amendments will become effective for TSX-listed issuers on September 1, 2016.

[1] For the purposes of Section 617.1, the term "plan" includes any constating document or other document or instrument governing the terms of a class of securities.

APPENDIX A

SUMMARY OF COMMENTS AND RESPONSES

List of Commenters:

Canaccord Genuity Corp.
Fasken Martineau DuMoulin LLP
Doug Beeler
Computershare

Capitalized terms used and not otherwise defined in the Notice of Approval shall have the meaning in the TSX Request for Comments – Amendments to Toronto Stock Exchange Company Manual dated April 28, 2016.

Summarized Comments Received	*TSX Response*
1. Are there any other requirements TSX should consider adopting regarding DRIPs?	
One commenter sought clarification on the application of Sections 617.1(b)(ii) a. and b., specifically whether there is a time-based restriction on re-applications under such sections or what issues TSX will consider when evaluating such re-applications.	TSX thanks the commenter for its input. A footnote has been added to the Amendments clarifying that the limits placed on a listed issuer in Sections 617.1(b)(ii) a. and b. are for TSX administrative purposes. The limits are placed to ensure that a reasonable number of securities are listed. Sections 617.1(b)(ii) a. and b. are not intended to be time-based restrictions on re-applications on DRIPs. While TSX will evaluate re-applications on a case-by-case basis, TSX has no particular concern with re-applications.
2. Is it appropriate to limit the discount at which securities may be issued under a DRIP to 5% of the market price?	
One commenter suggested that the available discount should not be capped since interest rates are not capped.	Based on TSX's experience over the last few decades, there is no need for DRIPs to provide for the issuance of securities at a discount that is greater than 5% of the market price.
3. Other Comments	
One commenter stated that listed issuers should have more flexibility in their DRIPs and that the number of shares issuable under the DRIP should only be restricted by the number of shares provided for by the DRIP. The commenter stated that this would potentially allow for, among other things, the listed issuer to waive purchase limits under any optional cash payment feature for institutional investors and thus provide an additional source to raise capital for the listed issuer.	TSX notes that the prospectus exemptions for reinvestment plans under applicable securities laws place a limit on optional cash features of 2% of the issued and outstanding securities of the class to which the plan relates as at the beginning of the financial year.
One commenter suggested using a longer time period to calculate average market price.	TSX thanks the commenter for its input. A footnote has been added to the Amendments clarifying that, for purposes of Section 617.1(b)(i)a., listed issuers may apply a VWAP of a minimum of 5 trading days and maximum of 20 trading days.
One commenter sought clarification on whether DRIPs of non-corporate issuers that are in effect as of the effective date of the Amendments will be grandfathered such that no amendments are required of those DRIPs. The commenter suggested that grandfathered DRIPs should be afforded a transition period only after which they would be required to comply with the Amendments.	TSX thanks the commenter for its input. TSX agrees with the commenter. Listed issuers that have DRIPs that are in effect prior to the date of this Notice of Approval will be grandfathered and will not be required to comply with the Amendments until such time as such DRIPs are amended and require TSX approval. For greater clarity, the mere listing of additional securities under an existing DRIP pursuant to Section 617.1(c) without an amendment to the DRIP will not constitute an amendment that requires re-approval of the DRIP pursuant to Section 617.1(d) and a Listed Issuer will not be required to comply with the Amendments at the time of application to list additional securities.

Summarized Comments Received	*TSX Response*
One commenter sought clarification on whether the Amendments are intended to apply to stock or share dividend plans.	TSX thanks the commenter for its input. Section 617.1 applies to all plans where securityholders are provided the opportunity to (a) reinvest their cash dividends or distributions by purchasing additional listed securities or (b) elect to receive additional listed securities from the listed issuer in lieu of cash dividends or distributions. The Amendments have been revised to reflect this.
One commenter sought clarification on whether Section 617.1 would permit existing security holders of a preferred class of an issuer to reinvest their cash dividends or distributions by purchasing additional common shares of the same issuer.	TSX thanks the commenter for its input. Section 617.1 has been revised to clarify that, subject to compliance with applicable securities laws, securities distributed under a DRIP may be of a different class or series of securities of the issuer to which the dividend or distribution is attributable.

APPENDIX B

BLACKLINE OF FINAL AMENDMENTS

PART VI AMENDMENTS

Sec. 617.1. Dividend / Distribution Reinvestment Plans (DRIPs)

DRIPs are adopted by ~~listed~~ issuers to allow existing ~~holders of a listed~~ security holders to reinvest their cash dividends or distributions by purchasing additional securities of ~~the same class from~~ the listed issuer. In certain instances, DRIPs may also allow security holders to purchase additional securities, in excess of the dividend or distribution, in compliance with applicable securities laws (an "optional cash payment").

This section applies to any plan[1] for listed securities[2] adopted by a listed issuer that allows existing holders of such listed securities to: i) reinvest their cash dividends or distributions by purchasing, or ii) receive, in lieu of their cash dividends or distributions, additional listed securities of the listed issuer. For purposes of this Section, the plans referred to above are collectively referred to as "DRIPs".

DRIPs that provide for the issuance of additional listed securities from treasury are subject to TSX pre-clearance. However, DRIPs providing for the payment of dividends or distributions solely with securities purchased on the secondary market do not require TSX approval.

Other than as provided in footnote 2 below, any plan where existing holders of unlisted security may reinvest their cash dividends or distributions by purchasing, or receiving in lieu of their cash dividends or distributions, additional listed securities of the listed issuer will be reviewed under Section 607.

(a) Implementing a New DRIP

(i) All DRIPs must be pre-cleared with TSX other than DRIPs providing for the payment of dividends or distributions solely with securities purchased on the secondary market. Listed issuers must provide a draft copy of the DRIP to TSX for pre-clearance at least five (5) business days prior to the effective date of the DRIP.

(ii) Once the DRIP has been pre-cleared by TSX and approved by the board of directors of the listed issuer, the following must be filed with TSX:

a. a certified copy of the board resolution approving adoption of the DRIP;

b. a final copy of the DRIP; and

c. an additional listing application (the "DRIP additional listing application") comprised of:

i. a letter notice pursuant to Section 602; and

ii. an opinion of counsel that the securities to be listed ~~will be~~have been validly created in accordance with applicable laws and that the securities will be validly issued as fully paid and non-assessable.

TSX will invoice the listed issuer for the additional listing fee payable (see TSX Listing Fee Schedule).

(b) Requirements Applicable to DRIPs

(i) Each DRIP should provide for the principal terms and conditions pursuant to which security holders may participate in the DRIP. TSX requires, in particular, that:

a. ~~(i)~~ the price per listed security at which securities will be issued~~, such price~~ not being lower than the ~~market price (as defined in Part 1 [link] of the Manual)~~VWAP on TSX (or another stock exchange where

[1] For the purposes of this Section 617.1, the term "plan" includes constating documents or similar documents governing the terms of a class of securities allowing for the reinvestment or payment of cash dividends or distributions in securities.

[2] For purposes of this Section 617.1, unlisted securities such as exchangeable securities or other securities which are economically equivalent will typically be permitted to participate in a DRIP for listed securities on an equivalent basis.

the majority of the trading volume and value of the listed securities occurs) for a period not less than five trading days or more than 20 days immediately preceding the relevant date, less a 5% discount, taking into account any premium increasing the amount of the dividend or distribution payable or the optional cash payment;

b. listed issuers must make some provision for fractional security interests that may result from the DRIP;

c. all security holders must be eligible to participate in the DRIP, except that listed issuers may limit the participation of security holders residing outside of Canada; and

d. the DRIP must state that all amendments to the DRIP must be pre-cleared by TSX.

(ii) ~~the~~Listed issuers must list a sufficient number of ~~additional~~ securities to ~~be listed~~cover issuances under the DRIP, including securities issuable pursuant to an optional cash payment, such number of securities being[3]:

a. a sufficient number of securities to cover issuances for a two-year period, provided such number of securities does not exceed 10% of the securities of the listed issuer that are issued and outstanding, on a non-diluted basis, at the time of the DRIP additional listing application; or

b. a number of securities equal to 5% of the securities of the listed issuer that are issued and outstanding, on a non-diluted basis, at the time of the DRIP additional listing application~~; and~~ .

~~(iii) listed issuers must make some provision for fractional security interests that may result from the DRIP;~~

~~(iv) all security holders must be eligible to participate in the DRIP, except that listed issuers may limit the participation of security holders residing outside of Canada; and~~

~~(v) the DRIP must state that all amendments to the DRIP must be pre-cleared by TSX.~~

(c) Listing Additional Securities under an Existing DRIP

~~After a DRIP has been implemented, listed issuers must have a sufficient number of securities listed to cover issuances under the DRIP, including pursuant to optional cash payments.~~

In order to list additional securities under an existing DRIP, listed issuers must file a DRIP additional listing application comprised of a letter notice and legal opinion in the form prescribed in Section 617.1(a)(ii)c. above.

TSX will invoice the listed issuer for the additional listing fee payable (see TSX Listing Fee Schedule).

(d) Amending a DRIP

Where a listed issuer proposes to amend a DRIP, it must pre-clear such amendment with TSX. TSX will require a black-lined copy of the DRIP ~~clearly~~ showing the amendments~~.~~ at least five (5) business days prior to the effective date of any amendment.

Once the amendment has been pre-cleared, TSX will require a certified copy of the board resolution approving the amendment to the DRIP.

(e) Suspending or Terminating / Resuming or Reinstating a DRIP

Where a listed issuer proposes to suspend or terminate a DRIP, it must promptly:

(i) advise its security holders of the suspension or termination by way of issuing a news release; and

(ii) notify TSX of the suspension or termination by filing a copy of the news release referred to in (i) above with TSX.

Where a listed issuer proposes to resume or re-instate a DRIP, it must notify its security holders and TSX by issuing and filing a news release as described above.

[3] The limits placed on a listed issuer in Sections 617.1(b)(ii) a. and b. are for TSX administrative purposes, and are not intended to be time-based restrictions imposed by TSX on the number of securities that may be issued pursuant to DRIPs.

ANCILLARY AMENDMENTS

Sec. 329 Outstanding Options, Incentive Plans and Dividend / Distribution Reinvestment Plans ~~(DRIPs)~~

(a) Stock options, stock option plans and stock purchase plans, which are in effect at the time a company is first listed on the Exchange, must be in compliance with the Exchange's requirements applicable to listed companies (but need not be approved by shareholders). See Section 613 regarding share compensation and incentive arrangements for employees and other persons who provide services for listed companies on an ongoing basis.

(b) DRIPs which are in effect at the time a company is first listed on the Exchange must be in compliance with the Exchange's requirements applicable to DRIPs as set out in Section 617.1.

Sec. 423.12 – Electronic Communication Guidelines

TSX recommends that listed issuers follow these guidelines when designing a website, establishing an internal email policy or disseminating information over the Internet.

[…]

An issuer may either post its own investor relations information or establish links, frequently called “hyper-links”, to other web sites that also maintain publicly disclosed documents on behalf of the issuer such as news wire services, SEDAR and stock quote services. “Investor relations information” includes all material public documents such as: the annual report~~:~~; annual and interim financial statements; the Annual Information Form; news releases; material change reports; information regarding DRIPs; declarations of dividends; redemption notices; management proxy circulars; and any other communications to shareholders.

Part XI Requirements Applicable to Non-Corporate Issuers

This section sets out the requirements that are specifically applicable to Non-Corporate Issuers.

In addition to the specific requirements outlined in this Part XI, Non-Corporate Issuers must also comply with the following sections of the Manual:

Part IV—MAINTAINING A LISTING

All Sections, other than Shareholders' Meeting and Proxy Solicitation (Sections 455–465)

Part VI—CHANGES IN CAPITAL STRUCTURE

(A) Discretion (Section 603), Security Holder Approval (Section 604), Changes in Issued Securities (Section 605)

(C) Security Based Compensation Arrangements (Section 613)

(E) Additional Listings (Section 617.1)

(F) Substitutional Listings (Sections 618–622)

(I) Redemption of Listed Securities (Section 625)

(L) Normal Course Issuer Bids (Sections 628–629)

APPENDIX C

CLEAN VERSION OF FINAL AMENDMENTS

PART VI AMENDMENTS

Sec. 617.1. Dividend / Distribution Reinvestment Plans (DRIPs)

DRIPs are adopted by issuers to allow existing security holders to reinvest their cash dividends or distributions by purchasing additional securities of the listed issuer. In certain instances, DRIPs may also allow security holders to purchase additional securities, in excess of the dividend or distribution, in compliance with applicable securities laws (an "optional cash payment").

This section applies to any plan[1] for listed securities[2] adopted by a listed issuer that allows existing holders of such listed securities to: i) reinvest their cash dividends or distributions by purchasing, or ii) receive, in lieu of their cash dividends or distributions, additional listed securities of the listed issuer. For purposes of this Section, the plans referred to above are collectively referred to as "DRIPs".

DRIPs that provide for the issuance of additional listed securities from treasury are subject to TSX pre-clearance. However, DRIPs providing for the payment of dividends or distributions solely with securities purchased on the secondary market do not require TSX approval.

Other than as provided in footnote 2 below, any plan where existing holders of unlisted security may reinvest their cash dividends or distributions by purchasing, or receiving in lieu of their cash dividends or distributions, additional listed securities of the listed issuer will be reviewed under Section 607.

(a) Implementing a New DRIP

(i) All DRIPs must be pre-cleared with TSX other than DRIPs providing for the payment of dividends or distributions solely with securities purchased on the secondary market. Listed issuers must provide a draft copy of the DRIP to TSX for pre-clearance at least five (5) business days prior to the effective date of the DRIP.

(ii) Once the DRIP has been pre-cleared by TSX and approved by the board of directors of the listed issuer, the following must be filed with TSX:

a. a certified copy of the board resolution approving adoption of the DRIP;

b. a final copy of the DRIP; and

c. an additional listing application (the "DRIP additional listing application") comprised of:

i. a letter notice pursuant to Section 602; and

ii. an opinion of counsel that the securities to be listed have been validly created in accordance with applicable laws and that the securities will be validly issued as fully paid and non-assessable.

TSX will invoice the listed issuer for the additional listing fee payable (see TSX Listing Fee Schedule).

(b) Requirements Applicable to DRIPs

(i) Each DRIP should provide for the principal terms and conditions pursuant to which security holders may participate in the DRIP. TSX requires, in particular, that:

a. the price per listed security at which securities will be issued not being lower than the VWAP on TSX (or another stock exchange where the majority of the trading volume and value of the listed securities occurs) for a period not less than five trading days or more than 20 days immediately preceding the

[1] For the purposes of this Section 617.1, the term "plan" includes constating documents or similar documents governing the terms of a class of securities allowing for the reinvestment or payment of cash dividends or distributions in securities.

[2] For purposes of this Section 617.1, unlisted securities such as exchangeable securities or other securities which are economically equivalent will typically be permitted to participate in a DRIP for listed securities on an equivalent basis.

relevant date, less a 5% discount, taking into account any premium increasing the amount of the dividend or distribution payable or the optional cash payment;

b. listed issuers must make some provision for fractional security interests that may result from the DRIP;

c. all security holders must be eligible to participate in the DRIP, except that listed issuers may limit the participation of security holders residing outside of Canada; and

d. the DRIP must state that all amendments to the DRIP must be pre-cleared by TSX.

(ii) Listed issuers must list a sufficient number of securities to cover issuances under the DRIP, including securities issuable pursuant to an optional cash payment, such number of securities being[3]:

a. a sufficient number of securities to cover issuances for a two-year period, provided such number of securities does not exceed 10% of the securities of the listed issuer that are issued and outstanding, on a non-diluted basis, at the time of the DRIP additional listing application; or

b. a number of securities equal to 5% of the securities of the listed issuer that are issued and outstanding, on a non-diluted basis, at the time of the DRIP additional listing application.

(c) Listing Additional Securities under an Existing DRIP

In order to list additional securities under an existing DRIP, listed issuers must file a DRIP additional listing application comprised of a letter notice and legal opinion in the form prescribed in Section 617.1(a)(ii)c. above.

TSX will invoice the listed issuer for the additional listing fee payable (see TSX Listing Fee Schedule).

(d) Amending a DRIP

Where a listed issuer proposes to amend a DRIP, it must pre-clear such amendment with TSX. TSX will require a black-lined copy of the DRIP showing the amendments at least five (5) business days prior to the effective date of any amendment.

Once the amendment has been pre-cleared, TSX will require a certified copy of the board resolution approving the amendment to the DRIP.

(e) Suspending or Terminating / Resuming or Reinstating a DRIP

Where a listed issuer proposes to suspend or terminate a DRIP, it must promptly:

(i) advise its security holders of the suspension or termination by way of issuing a news release; and

(ii) notify TSX of the suspension or termination by filing a copy of the news release referred to in (i) above with TSX.

Where a listed issuer proposes to resume or re-instate a DRIP, it must notify its security holders and TSX by issuing and filing a news release as described above.

ANCILLARY AMENDMENTS

Sec. 329 Outstanding Options, Incentive Plans and Dividend / Distribution Reinvestment Plans

(a) Stock options, stock option plans and stock purchase plans, which are in effect at the time a company is first listed on the Exchange, must be in compliance with the Exchange's requirements applicable to listed companies (but need not be approved by shareholders). See Section 613 regarding share compensation and incentive arrangements for employees and other persons who provide services for listed companies on an ongoing basis.

(b) DRIPs which are in effect at the time a company is first listed on the Exchange must be in compliance with the Exchange's requirements applicable to DRIPs as set out in Section 617.1.

[3] The limits placed on a listed issuer in Sections 617.1(b)(ii) a. and b. are for TSX administrative purposes, and are not intended to be time-based restrictions imposed by TSX on the number of securities that may be issued pursuant to DRIPs.

Sec. 423.12 – Electronic Communication Guidelines

TSX recommends that listed issuers follow these guidelines when designing a website, establishing an internal email policy or disseminating information over the Internet.

[…]

An issuer may either post its own investor relations information or establish links, frequently called “hyper-links”, to other web sites that also maintain publicly disclosed documents on behalf of the issuer such as news wire services, SEDAR and stock quote services. “Investor relations information” includes all material public documents such as: the annual report; annual and interim financial statements; the Annual Information Form; news releases; material change reports; information regarding DRIPs; declarations of dividends; redemption notices; management proxy circulars; and any other communications to shareholders.

Part XI Requirements Applicable to Non-Corporate Issuers

This section sets out the requirements that are specifically applicable to Non-Corporate Issuers.

In addition to the specific requirements outlined in this Part XI, Non-Corporate Issuers must also comply with the following sections of the Manual:

Part IV—MAINTAINING A LISTING

All Sections, other than Shareholders' Meeting and Proxy Solicitation (Sections 455–465)

Part VI—CHANGES IN CAPITAL STRUCTURE

(A) Discretion (Section 603), Security Holder Approval (Section 604), Changes in Issued Securities (Section 605)

(C) Security Based Compensation Arrangements (Section 613)

(E) Additional Listings (Section 617.1)

(F) Substitutional Listings (Sections 618–622)

(I) Redemption of Listed Securities (Section 625)

(L) Normal Course Issuer Bids (Sections 628–629)

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