

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 **CSA Staff Notice 45-308 (Revised) Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions**

CSA Staff Notice 45-308 (Revised) *Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions* is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the CSA Staff Notice.

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CSA Staff Notice 45-308 (Revised)
*Guidance for Preparing and Filing
Reports of Exempt Distribution under
National Instrument 45-106 Prospectus Exemptions*

First Published April 26, 2012, revised June 25, 2015, April 7, 2016 and September 29, 2016

September 29, 2016

Purpose

Issuers and underwriters that rely on certain prospectus exemptions to distribute securities are required to file a report of exempt distribution on Form 45-106F1 *Report of Exempt Distribution* (the **report**) within a prescribed timeframe set out in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).

Staff (**staff** or **we**) of the Canadian Securities Administrators (**CSA**) have prepared this Staff Notice (this **Notice**) to assist issuers, underwriters and their advisors in preparing and filing reports.

This Notice includes the following documents:

- Annex 1 – Tips for Completing and Filing the Report
- Annex 2 – Checklist of Information Requirements introduced in the 2016 Report
- Annex 3 – Frequently Asked Questions
- Annex 4 – Transition to the 2016 Report
- Annex 5 – Contact Information of Public Officials regarding Indirect Collection of Personal Information

Background to this Notice

This Notice replaces a prior version of this notice issued on April 7, 2016. We may from time to time reissue this Notice to respond to additional questions or concerns raised about the completion and filing of reports. The following table sets out the history of this Notice.

Date	Development
April 26, 2012	Staff first published this Notice in April 2012 to highlight compliance issues identified in some reports filed. This Notice provided guidance to issuers, underwriters and their advisors for preparing and filing reports.

Date	Development
June 25, 2015	This Notice was revised in June 2015 primarily to reflect the introduction of certain new prospectus exemptions in Ontario.
April 7, 2016	<p>In June 2016, the CSA introduced a new harmonized version of the report set out in Form 45-106F1 <i>Report of Exempt Distribution</i> (the 2016 Report). Both investment fund issuers and non-investment fund issuers that distribute securities under certain prospectus exemptions are required to file the 2016 Report, which replaced both the prior version of Form 45-106F1 <i>Report of Exempt Distribution</i> and Form 45-106F6 <i>British Columbia Report of Exempt Distribution</i> (together, the Prior Reports).</p> <p>We reissued this Notice in April 2016 to reflect the adoption of the 2016 Report, and to provide guidance on the new information requirements set out in the 2016 Report as well as the transition to the 2016 Report.</p>
September 29, 2016	<p>In spring and summer 2016, staff became aware of concerns expressed by foreign dealers conducting offerings into Canada, as well as Canadian institutional investors, about the certification requirements in the 2016 Report and other related issues. In certain instances, Canadian institutional investors were being excluded from participating in foreign offerings into Canada through certain foreign dealers as a result of a perceived change in the risk of personal liability in the 2016 Report, as well as the more extensive information required in the 2016 Report.</p> <p>As a result of these concerns, we provided relief from the requirement to disclose whether a purchaser is a registrant or an insider of the issuer in certain circumstances. This relief was provided by all CSA members, except Ontario, by issuing blanket orders effective June 30, 2016. In Ontario, the relief was provided through an Ontario-only amendment instrument that came into force on July 29, 2016.</p> <p>We understand that there have continued to be difficulties in respect of the certification, creating unintended complications in respect of access by institutional investors to foreign investment opportunities. Staff are re-issuing this guidance to alleviate certain of the concerns raised regarding certification and other matters.</p> <p>We continue to seek input on the issue and will consider additional steps to address the concerns.</p> <p>This Notice includes:</p> <ul style="list-style-type: none"> • clarification regarding the certification of the report, • guidance on the reasonable steps the underwriter filing the report should undertake to obtain and confirm the required information regarding the issuer, • guidance on the procedures that an issuer or underwriter could implement in order to reasonably confirm that a purchaser meets the conditions for a particular exemption, • guidance on the increased flexibility for completing Schedule 1 for purchasers in certain circumstances who may qualify under more than one paragraph of the definition of “accredited investor”, and • guidance on disclosure of an issuer’s North American Industry Classification Standard (NAICS) code that corresponds to the issuer’s primary business activity where there is ambiguity on the appropriate code.

Annexes to Notice

Annex 1 – Tips for Completing and Filing the Report

Annex 2 – Checklist of Information Requirements introduced in the 2016 Report

Annex 3 – Frequently Asked Questions

Annex 4 – Transition to the 2016 Report

Annex 5 – Contact Information of Public Officials regarding Indirect Collection of Personal Information

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ANNEX 1
Tips for Completing and Filing the Report

The following are tips to assist issuers, underwriters and advisors in completing and filing the report.

1. File the report on time

Filers must file the report in each jurisdiction of Canada where the distribution occurred. The deadline for filing the report is generally 10 days after the distribution. If filing a report for distributions occurring on multiple dates, such distributions must occur within a 10-day period and the filer must file the report no later than 10 days after the first distribution date.

Investment fund issuers relying on certain prospectus exemptions have the option of filing the report on an annual basis, within 30 days of the end of the calendar year. This option is only available for investment fund issuers distributing securities in reliance on the following prospectus exemptions in NI 45-106:

- section 2.3 [*Accredited investor*]¹
- section 2.10 [*Minimum amount investment*]
- section 2.19 [*Additional investment in investment funds*]

2. Pay the required fees

Filers must pay the applicable fee in each jurisdiction of Canada in which the report is filed. In order to determine the applicable fee in a particular jurisdiction of Canada, consult the securities legislation of that jurisdiction.

Filing fees payable in a particular jurisdiction are not affected by identifying all purchasers in a single report.

3. Complete the issuer information

Item 5 requires certain information about the issuer distributing the securities, where the issuer is not an investment fund.

Where an underwriter is filing the report, the underwriter should take reasonable steps to obtain and confirm the information regarding the issuer set out in Item 5. These reasonable steps may include:

- reviewing the offering document prepared in connection with the distribution of securities,
- reviewing the issuer's public continuous disclosure record, where available,
- reviewing information provided by the issuer's or the underwriter's legal counsel, and
- making inquiries of the issuer.

4. Include a complete list of purchasers in the report

Filers must ensure that Item 7(f) and Schedule 1 include all purchasers that participated in the distribution.

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, the filer is

¹ This option is also available for investment fund issuers distributing securities in reliance on section 73.3 of the *Securities Act* (Ontario) [*Accredited investor*].

required to provide information in the report about purchasers resident in that jurisdiction of Canada only. See Question 12 in Annex 3 for further guidance on issuers located outside of Canada.

If an issuer makes a distribution in more than one jurisdiction of Canada, the filer may complete a single report identifying all purchasers, and file that report in each jurisdiction of Canada in which the distribution occurs.

5. Ensure the information provided in the report and schedules is consistent

Filers should verify that the information included in the report and schedules is accurate and consistent. In particular, filers should verify the following:

- The information provided in Item 7 about the distribution date, number and type of securities distributed, total dollar amount of securities distributed, number of purchasers in each jurisdiction and prospectus exemptions relied on, must reconcile with the information provided in Schedule 1.
- The identities of persons compensated provided in Item 8 must reconcile with the information provided in Schedule 1 about the persons compensated for each purchaser.
- The information about directors, executive officers and promoters provided in Item 9 must reconcile with the information provided in Schedule 2.

6. Correctly identify the total number of purchasers

The table in Item 7(f) requires the total number of unique purchasers to which the issuer distributed securities. To determine the total number of unique purchasers, the filer should count each purchaser only once, regardless of whether the issuer distributed different types of securities to that purchaser, on different dates, and/or relied on multiple prospectus exemptions for such distributions.

7. Ensure the purchase price of the securities distributed is correct

If an issuer is relying on the prospectus exemption in section 2.10 [*Minimum amount investment*] of NI 45-106 for distributions to a purchaser, the purchase price paid by that purchaser must be at least \$150,000 (among other conditions), and the purchase price provided in Item 7 and Schedule 1 must be at least that minimum amount. An issuer is not permitted to distribute securities under this prospectus exemption to a purchaser that is an individual, or to multiple purchasers acting in concert or as a “syndicate” in order to pool separate purchases and reach the \$150,000 minimum.

8. Ensure that a valid prospectus exemption is available

Not all prospectus exemptions are available in all jurisdictions. An issuer should ensure that a valid prospectus exemption is available for a distribution to each purchaser.

Section 1.9 of Companion Policy 45-106CP *Prospectus Exemptions (45-106CP)* describes procedures that an issuer (or seller) could implement in order to reasonably confirm that the purchaser meets the conditions for a particular exemption. Some examples of these steps include:

- establishing policies and procedures to confirm that all parties acting on behalf of the issuer (or seller) understand the conditions that must be satisfied to rely on the exemption, and
- obtaining information that confirms the purchaser meets the criteria in the exemption.

Whether the steps taken are reasonable will depend on the particular facts and circumstances of the purchaser, the offering and the exemption being relied on. For certain purchasers, such as Canadian financial institutions, Schedule III banks and pension funds, it may not be necessary for the issuer (or seller) to reconfirm the purchaser's status for each distribution to that purchaser.

9. Disclose all compensation paid in connection with the distribution

A filer must complete Item 8 for each person to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. Compensation includes cash commissions, securities-based compensation, gifts, discounts or other compensation of a similar nature, paid in connection with a distribution of securities, regardless of the term used to describe the payment. For example, we consider a brokerage fee or finance fee to be compensation in connection with a distribution.

Compensation does not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

Item 8 does not require details about internal allocation arrangements with the directors, officers or employees of an entity compensated by the issuer.

10. Date and certify the report

The report must be certified by the issuer or the underwriter. Item 10 of the report must include the date of the report and the name and signature of the individual signing the report for and on behalf of the issuer or underwriter. This individual must be a director or officer of a corporate issuer or underwriter or, in other cases, an individual who performs functions similar to that of a director or officer (as determined by the issuer or underwriter). For example, if the issuer is a trust, the report may be signed by the issuer's trustee on behalf of the trust. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may sign the report on behalf of the investment fund if the director or officer has been authorized to do so by the investment fund.

A filing agent, such as a law firm, completing the report on an issuer's or underwriter's behalf may not provide the signature required by Item 10 of the report to certify the report on behalf of the issuer or the underwriter, but must provide their contact details in Item 11.

See Question 22 in Annex 3 for further guidance on the certification of the report.

ANNEX 2

Checklist of Information Requirements introduced in the 2016 Report

The new information requirements introduced in the 2016 Report are listed in the checklist below. The checklist is designed to assist filers in gathering the required information to complete the report.

All issuers	<ul style="list-style-type: none"><input type="checkbox"/> Most recent previous legal name (if issuer's name has changed in last 12 months)<input type="checkbox"/> Website of issuer (if issuer has one) and underwriter (if underwriter has one and is not a registrant)<input type="checkbox"/> Legal entity identifier (if issuer has one)<input type="checkbox"/> Firm NRD number for underwriter<input type="checkbox"/> CUSIP numbers of securities distributed (if applicable)<input type="checkbox"/> Details about the distribution (number of purchasers and total amount raised) by jurisdiction and prospectus exemption relied on<input type="checkbox"/> List of (and if required to be filed with or delivered to the Ontario Securities Commission, electronic copies of) all offering materials required to be filed with or delivered to the securities regulatory authority or regulator for distributions in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia<input type="checkbox"/> NRD number of registrant compensated (if applicable)<input type="checkbox"/> Whether person compensated facilitated distribution through funding portal or internet-based portal<input type="checkbox"/> Description of terms of any deferred compensation<input type="checkbox"/> Relationship of person compensated to issuer or investment fund manager (connected with issuer or investment fund manager/insider/director or officer/employee/none of the above) <p>Schedule 1 (non-public)</p> <ul style="list-style-type: none"><input type="checkbox"/> Email address of purchaser (if provided by purchaser)<input type="checkbox"/> Specific prospectus exemption relied on to distribute securities to each purchaser²<input type="checkbox"/> Identification of whether purchaser is a registrant or insider³<input type="checkbox"/> Name of person compensated for the distribution for each purchaser
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² Refer to question 21.1 in Annex 3 for additional guidance.

³ Relief was provided from the requirement to disclose whether a purchaser is a registrant or an insider of the issuer if one or more of the following apply:

(a) the issuer is a foreign public issuer,
(b) the issuer is a wholly owned subsidiary of a foreign public issuer,
(c) the issuer is distributing eligible foreign securities only to permitted clients.

This relief was provided by all CSA members, except Ontario, by issuing blanket orders effective June 30, 2016. In Ontario, the relief was provided through an Ontario-only amendment instrument that came into force on July 29, 2016.

<p>Non-investment fund issuers</p>	<ul style="list-style-type: none"> <input type="checkbox"/> NAICS industry code⁴ <input type="checkbox"/> Stage of operations for issuers in mining industry (exploration/development/production) <input type="checkbox"/> Areas of asset holdings for issuers involved in investment activities (mortgages/real estate/commercial/business debt/consumer debt/private companies) <input type="checkbox"/> Number of employees (within a range) <input type="checkbox"/> SEDAR profile number (if issuer has one) <p>If issuer does not have a SEDAR profile number:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Date of formation <input type="checkbox"/> Financial year-end <input type="checkbox"/> Jurisdictions of Canada where reporting <input type="checkbox"/> CUSIP number (if issuer has one) <input type="checkbox"/> Name of exchanges where publicly listed <input type="checkbox"/> Size of assets (within a range)
<p>Investment fund issuers</p>	<ul style="list-style-type: none"> <input type="checkbox"/> NRD number of investment fund manager <input type="checkbox"/> Website of investment fund manager (if investment fund manager does not have a firm NRD number and has a website) <input type="checkbox"/> Type of investment fund (money market/equity/fixed income/balanced/alternative strategies/other) <input type="checkbox"/> Date of formation <input type="checkbox"/> Financial year-end <input type="checkbox"/> Jurisdictions of Canada where reporting <input type="checkbox"/> CUSIP number (if issuer has one) <input type="checkbox"/> Name of exchanges where publicly listed <input type="checkbox"/> Net asset value (within a range) and date of calculation <input type="checkbox"/> Net proceeds by jurisdiction
<p>Issuers that are not any of the following:</p> <ul style="list-style-type: none"> • investment fund issuers • reporting issuers and their wholly owned subsidiaries • foreign public issuers and their wholly owned subsidiaries • issuers distributing eligible foreign securities only to permitted clients 	<ul style="list-style-type: none"> <input type="checkbox"/> Names, titles and locations of directors, executives officers and promoters <ul style="list-style-type: none"> <input type="checkbox"/> If a promoter is not an individual, this information is also required for the directors and executive officers of the promoter <p>Schedule 2 (non-public)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Business email address and telephone number of issuer’s CEO <input type="checkbox"/> Residential addresses of directors, executives officers, promoters and control persons that are individuals <ul style="list-style-type: none"> <input type="checkbox"/> If a promoter or control person is not an individual, this information is required for the directors and executive officers of the promoter and control person. <input type="checkbox"/> If control person is not an individual: <ul style="list-style-type: none"> <input type="checkbox"/> Organization or company name <input type="checkbox"/> Province or country of business location

⁴ Refer to question 7 in Annex 3 for additional guidance.

ANNEX 3
Frequently Asked Questions

Filing the report

1. An issuer whose head office is in Alberta distributes securities to a purchaser resident in Saskatchewan. Where is the issuer required to file the report?

The issuer must file a report with the Alberta Securities Commission and with the Financial and Consumer Affairs Authority of Saskatchewan.

The issuer must file a report in each jurisdiction where the distribution occurred. To determine if a distribution has occurred in one or more jurisdictions of Canada, consult applicable securities legislation, securities directions and case law.

For example:

- In Alberta, an issuer should consult Alberta Securities Commission Policy 45-601 *Distributions Outside Alberta*.
- In British Columbia, an issuer should consult BC Interpretation Note 72-702 *Distribution of Securities to Persons Outside British Columbia*.
- In New Brunswick, an issuer should consult Companion Policy to Local Rule 72-501 *Distributions of Securities to Persons Outside New Brunswick*.
- In Québec, an issuer should consult *Avis du personnel de l'Autorité des marchés financiers – Règlement 45-106 sur les dispenses de prospectus et d'inscription: Questions fréquemment posées*.

In all cases, a distribution occurs when a distribution is made to a purchaser resident in that jurisdiction. In most cases, a distribution includes a distribution made by an issuer whose head office is in that jurisdiction (or, in the case of an investment fund, an investment fund whose manager's head office is in that jurisdiction), to purchasers resident outside that jurisdiction. A distribution may also occur in a jurisdiction of Canada if the issuer has a significant connection to that jurisdiction.

If an issuer is uncertain as to whether a distribution has occurred in a jurisdiction of Canada, the issuer should file the report in that jurisdiction.

2. How does a filer file a report for a distribution to purchasers in every CSA jurisdiction?

Filers are required to file the report electronically in all CSA jurisdictions, except certain foreign issuers when filing on SEDAR. The British Columbia Securities Commission (BCSC) has developed a web-based filing system on eServices to accommodate the structured data format of the report. Filers filing in British Columbia and Ontario will file the report with the BCSC and Ontario Securities Commission (OSC) by completing an electronic form on the BCSC's eServices and the OSC's Electronic Filing Portal, respectively.

In all CSA jurisdictions other than British Columbia and Ontario, filers, except certain foreign issuers, must file the report on SEDAR in accordance with National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*. Both the BCSC's eServices and the OSC's Electronic Filing Portal will generate an electronic copy of the completed report, which filers can then file on SEDAR, if required.

Schedule 1 and Schedule 2 of the report must be filed in .xlsx format using the Excel templates developed by the CSA. The Excel templates are available on the website of each CSA member and at the links below.

- [Schedule 1 template](#)⁵
- [Schedule 2 template](#)⁶

3. [intentionally deleted]

4. Is there a transition period available for investment fund issuers that file reports annually?

Yes, there is a transition period which allows an investment fund issuer filing annually to file either the Prior Report or the 2016 Report for distributions that occur before January 1, 2017. For distributions that occur on or after January 1, 2017, all investment fund issuers filing annually must file the 2016 Report.

Investment funds that file annually are no longer required to file annual reports within 30 days of their financial year-end. Beginning on June 30, 2016, all investment fund issuers filing annually must file within 30 days after the end of the calendar year. This means that all investment funds filing annually will be required to file by January 30, 2017 for distributions that occur before January 1, 2017 (that have not been previously reported).

To provide further clarity on the transition period, please see the examples in Table 2 in Annex 4.

4.1 The section in the report under the heading “Notice – Collection and use of personal information” requires the filer to confirm that each individual listed in Schedules 1 and 2 was notified about certain information, including the title of the public official in the local jurisdiction who can answer questions about the security regulatory authority’s or regulator’s indirect collection of personal information. Where can I find the titles of these public officials?

Please see Annex 5 for the contact information and title of the public official in each local jurisdiction who can answer questions regarding the indirect collection of personal information. This information can also be found on the CSA’s website.

Names and identifiers

5. What information should be provided for individuals under family name, first given name and secondary given names in the report?⁷

Family name refers to the individual’s last name or surname.

First given name refers to the first name of an individual, used to identify the person from other members of a family, all of whom usually share the same family name.

⁵ http://www.securities-administrators.ca/uploadedFiles/Schedule_1_Form_45-106F1_En.xlsx

⁶ http://www.securities-administrators.ca/uploadedFiles/Schedule_2_Form_45-106F1_En.xlsx

⁷ Names of individuals are required to be provided in Item 8(a), Items 9(a) and (b), Item 10, Item 11, Schedule 1 and Schedule 2.

Secondary given names, often referred to as middle names, refer to all given names of an individual, other than their first given name and family name.

The ordering of family and given names can vary among cultures. Indicate the ‘family name’, ‘first given name’ and ‘secondary given names’ in the appropriate field in the report regardless of the order in which they may be given or traditionally used.

Do not include aliases, nicknames, preferred names, initials or short forms of full names in the name fields of the report.

If two or more individuals have purchased a security as joint purchasers, complete the Schedule 1 Excel template by providing information for each purchaser under the columns for family name, first given name and secondary given names, if applicable, and separating the individuals’ names by an ampersand. For example, if Jane Jones and Robert Smith are joint purchasers, indicate “Jones & Smith” in the family name column, and “Jane & Robert” in the first given name column of the Schedule 1 Excel template.

6. What is a legal entity identifier (LEI)? Is it necessary to obtain an LEI to complete Item 3 of the report?

An LEI is a globally recognized 20-character alphanumeric code used to identify entities that enter into financial transactions. If an issuer already has an LEI, the filer must provide the LEI in Item 3. If an issuer does not have an LEI, it is not necessary to obtain one to complete the report.

7. How does the filer determine an issuer’s North American Industry Classification Standard (NAICS) code?

NAICS was developed to classify the domestic activities of businesses within North America, and also covers a wide range of industries that exist outside of North America.

If the issuer has already identified a NAICS code for its business, and the filer is the issuer, then it should use that previously identified code. For example, Canadian businesses that file tax returns with the Canada Revenue Agency should use the same NAICS code that they report on those forms.

If the issuer has not already identified a NAICS code, or if the filer is an underwriter and has not been able to obtain the NAICS code previously identified by the issuer, the filer should use [Statistics Canada’s NAICS search tool](http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=118464)⁸ to find a NAICS code that is appropriate for the issuer. An alternative is the [US Census Bureau’s NAICS search tool](http://www.census.gov/eos/www/naics/index.html).⁹

The online search tools listed above allow the filer to enter keywords that describe the issuer’s business, and generate a list of primary business activities containing that keyword and the corresponding NAICS codes. If more than one NAICS code may apply to an issuer, the filer should use its reasonable judgment to choose the one that most closely describes the issuer’s primary business activity. Alternatively, the filer may browse a list of NAICS market sectors to find the more detailed industry level descriptions and the appropriate 6-digit code that, in the filer’s reasonable judgment, most closely matches the issuer’s primary business activity.

⁸ <http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=118464>

⁹ <http://www.census.gov/eos/www/naics/index.html>

Below are some examples of NAICS codes to consider:

Description of Issuer	Keywords searched	Possible NAICS Codes to consider
ABC-ABS Inc. is structured as a special purpose financial vehicle organized for the securitization of pools of receivables and the issuance of marketable fixed-income securities (asset-backed securities)	"special purpose vehicle" or "securitization"	526981 - Securitization vehicles
ABC Minerals operates as a mining and metals company worldwide. It produces copper, nickel, gold, zinc, platinum-group elements and pyrite.	"zinc" or "copper" or "nickel" or "gold"	212233 - Copper-zinc ore mining 212232 - Nickel-copper ore mining 212220 - Gold and silver ore mining
ABC LP is a private equity fund that invests in a portfolio of private companies. The fund will typically acquire a controlling or substantial minority interest in a portfolio of companies.	"investment firm" or "portfolio companies"	526989 - All other miscellaneous funds and financial vehicles 523920 - Portfolio management

Issuer information

- 8. The issuer distributing securities was formed in 2002 by the completion of a plan of arrangement. Does Item 5(e) of the report require the date(s) of incorporation of the companies that completed the plan of arrangement, or the date of the completion of the plan of arrangement?**

In this example, the filer is not required to provide the incorporation dates of any predecessor entities in Item 5(e), only the date that the issuer was formed by the completion of the plan of arrangement in 2002.

- 9. How does a filer determine the number of employees for Item 5(b) of the report?**

Employees are individuals that are employed directly by the issuer and on the issuer's payroll, including full and part-time employees.

- 9.1 What steps should be taken by an underwriter filing a report to obtain the information in Item 5 of the report?**

Where an underwriter is filing the report, the underwriter should take reasonable steps to obtain and confirm the information regarding the issuer set out in Item 5. These reasonable steps may include:

- reviewing the offering document prepared in connection with the distribution of securities,
- reviewing the issuer's public continuous disclosure record, where available,
- reviewing information provided by the issuer's or the underwriter's legal counsel, and
- making inquiries of the issuer.

Investment fund issuer information

10. What do the different investment fund types in Item 6(b) of the report refer to?

In Item 6(b), an investment fund issuer must select the investment fund type that most accurately describes the issuer based on the following:

- Money Market – An investment fund that invests in cash, cash equivalents and/or short term debt securities, such as government bonds and treasury bills.
- Equity – An investment fund that invests primarily in equity securities of other issuers.
- Fixed Income – An investment fund that invests primarily in fixed income (debt) securities.
- Balanced – An investment fund that invests primarily in a balanced combination of fixed income and equity securities.
- Alternative Strategies – An investment fund that primarily adopts alternative investment strategies, such as short selling, leverage or the use of derivatives, or that invests primarily in alternative asset classes, such as real estate or commodities.
- Other – An investment fund that cannot be classified under one of the above investment fund types. Include a short description of the type of investment fund in the box provided.

11. When would an investment fund issuer be considered to be primarily invested in other investment funds under Item 6(b) of the report?

An investment fund is generally considered a ‘fund of funds’ if a majority of its assets are invested in other funds, under normal market conditions. One factor to consider in determining whether an investment fund issuer is a ‘fund of funds’ is whether its investment objectives specifically state this as a strategy.

Distribution details

12. What does “located outside of Canada” mean in Item 7 of the report?

The onus is on an issuer and its counsel to determine where the issuer is located for the purposes of determining where a distribution has occurred, including whether an issuer is located in a jurisdiction of Canada.

The determination is based on the facts and circumstances of each particular distribution. The issuer should consider the following factors:

- where the issuer’s mind and management are primarily located, which may be determined by the location of the issuer’s head office or the residences of the issuer’s key officers and directors,
- where the issuer’s operations are conducted,
- where the issuer administers its business,
- whether any acts in furtherance of a distribution have occurred in a jurisdiction, including active advertisements or solicitations, negotiations, underwriting activities or investor relations activities, and
- where the issuer is incorporated or organized.

The above are examples of the types of factors that an issuer should consider in determining whether it is making a distribution from a jurisdiction, but it is not an exhaustive list.

13. What dates should be provided as the distribution date under Item 7(b) of the report?

If the report is being filed for securities distributed only on a single distribution date, provide this distribution date in Item 7(b) as both the start date and end date. For example, if the report is being filed for securities distributed only on July 1, 2016, provide July 1, 2016 as both the start date and end date.

If the report is being filed for securities distributed on more than one distribution date, in Item 7(b) provide the date of the earliest distribution as the start date and provide the date of the last distribution as the end date. A single report can be filed for distributions occurring on multiple dates only if such distributions occur within a 10-day period and the report is filed no later than 10 days after the first distribution date (other than investment funds that file reports on an annual basis).

For example:

- If the report is being filed for securities distributed on July 1, July 4, July 5 and July 7, 2016, in Item 7(b) provide July 1, 2016 as the start date and July 7, 2016 as the end date.
- If the report is being filed for an investment fund issuer that files annually and has distributed securities on a continuous basis from January 1, 2017 to December 31, 2017, in Item 7(b) provide January 1, 2017 as the start date and December 31, 2017 as the end date.

14. The type of security distributed by the issuer is not on the list of security codes in Instruction 12 of the report. What security code should the filer provide in Item 7(d) of the report?

The list of security codes in Instruction 12 of the report captures most types of securities distributed under a prospectus exemption triggering the filing of a report in Canada. If the security being distributed is not listed, enter “OTH” (for other) as the security code in Item 7(d) and include a description of the security in the box provided. Examples are provided below.

Security code			CUSIP number (if applicable)	Description of security
N	O	T	555555555	6.26% medium term notes
C	E	R	555555556	Commercial mortgage pass-through certificates
U	B	S		Units comprised of one common share and one-half of one non-transferrable share purchase warrant
O	T	H		Syndicated mortgage interest
O	T	H		Global depository receipt

15. How does a filer determine the number of unique purchasers for Item 7(f) of the report?

For the total number of unique purchasers, each purchaser should only be counted once, regardless of whether the issuer distributed different types of securities to that purchaser, distributed securities on different dates to that purchaser and/or relied on multiple prospectus exemptions for such distributions.

As an example, an issuer located in Alberta distributes (at \$10/debenture, \$10/common share):

- 100 debentures to Purchaser A in Alberta in reliance on the accredited investor prospectus exemption
- 100 common shares to Purchaser A in Alberta in reliance on the offering memorandum prospectus exemption
- 100 common shares to Purchaser B in Alberta in reliance on the accredited investor prospectus exemption
- 100 common shares to Purchaser C in Ontario in reliance on the family, friends and business associates prospectus exemption
- 100 debentures to Purchaser D in France in reliance on the accredited investor prospectus exemption

In this example, there are a total of 4 unique purchasers.

The table in Item 7(f) requires a separate line item for:

- each jurisdiction where a purchaser resides,
- each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and
- each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

Complete the table as follows:

Province or country	Exemption relied on	Number of purchasers	Total amount (Canadian \$)
Alberta	Accredited investor (NI 45-106 s.2.3)	2	2,000
Alberta	Offering memorandum (NI 45-106 s.2.9(2.1))	1	1,000
Ontario	Family, friends and business associates (NI 45-106 s.2.5)	1	1,000
France	Accredited investor (NI 45-106 s.2.3)	1	1,000
Total dollar amount of securities distributed			5,000
Total number of unique purchasers²		4	

In Schedule 1, create a separate entry for each distribution date, security type and exemption relied on for the distribution to each purchaser. In the example above, this means there must be two separate entries for Purchaser A in Schedule 1: one entry for the distribution of 100 debentures in reliance on the accredited investor prospectus exemption, and a second entry for the distribution of 100 common shares in reliance on the offering memorandum prospectus exemption.

16. Are marketing materials required to be listed under Item 7(h) of the report?

Yes, if the securities legislation of Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia requires marketing materials to be filed with or delivered to the securities regulatory authority or regulator in connection with the distribution under the exemption relied on.

Item 7(h) requires filers to list and provide certain details about offering materials that are required under the exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in connection with the distribution in these jurisdictions. This is a reporting requirement only; the report does not impose any new requirement to deliver or file offering materials.

If marketing materials are required to be filed or delivered under the prospectus exemption relied on for the distribution, the filer must list such materials in Item 7(h). For example, if an issuer makes a distribution to purchasers in Ontario in reliance on the offering memorandum exemption under section 2.9 of NI 45-106, the filer must list marketing materials that are required to be incorporated or deemed to be incorporated by reference into the offering memorandum.

In Ontario only, if the offering materials listed in Item 7(h) are required to be filed with or delivered to the OSC, electronic versions of those offering materials are to be attached to and submitted electronically with the report on the OSC's Electronic Filing Portal (if not previously filed with or delivered to the OSC).

Compensation information

17. How does an issuer report compensation paid to two dealers in connection with the distribution?

Item 8 of the report must be completed separately for each dealer to whom the issuer provides compensation in connection with the distribution.

In section f(3) of Schedule 1, the filer must indicate which of the two dealers received compensation in connection with the distribution to each purchaser by indicating the firm NRD number of the dealer, or the dealer's full legal name if not a registered firm. The firm NRD number or name must be consistent with the information provided in Item 8. If neither of the two dealers received compensation in connection with the distribution to a particular purchaser, then section f(3) of Schedule 1 should be left blank for that purchaser.

As noted in the instructions to Item 8(d), the report does not require disclosure of details about internal allocation arrangements with the directors, officers or employees of entities compensated by the issuer.

18. The issuer entered into a referral arrangement pursuant to which it pays an ongoing annual referral fee to a third party for so long as the purchaser holds the securities distributed. Is the issuer required to disclose the ongoing referral fee in the report? Is the issuer required to do so each year for so long as it pays the referral fee?

If the referral fee is paid in connection with a distribution, the filer must report the referral fee in Item 8(d) of the report, by checking the box that indicates a person is receiving deferred compensation in connection with the distribution and describing the terms of the referral arrangement in the box provided.

The filer is not required to report the referral fee every year. If no distributions were made in a particular year that give rise to referral fees being paid, then the referral fee is not required to be reported that year.

19. What do the terms "funding portal" and "internet-based portal" refer to in Item 8(a) of the report?

These terms generally refer to an intermediary that provides an online platform for issuers to offer and sell securities to investors. These include funding portals as defined under Multilateral Instrument 45-108 *Crowdfunding*.

Purchaser information

20. The issuer sold shares to a purchaser that instructed that the shares be registered in the name of its investment adviser. What name is the filer required to disclose in Schedule 1 of the report?

All references to a purchaser in the report are to the beneficial owner of the securities (with the exception of fully managed accounts described below). In this example, the filer should provide the name of the beneficial owner as the purchaser in Schedule 1. The investment adviser in this example is the registered, not the beneficial, owner.

Similarly, if a trust or personal holding corporation purchases securities from an issuer, the trust or corporation is the beneficial owner. The names of the trust beneficiaries or shareholders of the holding corporation are not required.

Beneficial owner information is not required in Schedule 1 where a trust company, trust corporation, or registered adviser is deemed to be purchasing the securities as principal on behalf of a fully managed account and the issuer is relying on the exemption described in paragraph (p) or (q) of the definition of “accredited investor” in section 1.1 of NI 45-106 to issue the securities. In that case, only the name of the trust company, trust corporation or registered adviser should be provided in Schedule 1.

21. The filer does not have a purchaser’s email address. What is the filer required to disclose in section c(7) of Schedule 1 of the report?

If the purchaser has not provided an email address to the filer, or the purchaser does not have an email address, the filer may leave section c(7) of Schedule 1 blank for that purchaser.

21.1 Certain purchasers may qualify as an accredited investor under more than one paragraph of the definition of “accredited investor”. It may not always be clear to the filer which paragraph the purchaser qualifies under for the purpose of a particular distribution. For example, trust companies, trust corporations, registered advisers and registered dealers may be purchasing securities as principal for their own account, and/or may be deemed to be purchasing securities as principal on behalf of a fully managed account. In these circumstances, which paragraph of the definition of “accredited investor” should the filer select when completing Schedule 1?

If a purchaser is a trust company or a trust corporation, the filer can select paragraphs “(a) and/or (p)” of the definition of “accredited investor” for that purchaser when completing Schedule 1 if the trust company or trust corporation is:

- purchasing as principal for its own account and qualifies as an accredited investor under paragraph (a) of that definition, and/or
- deemed to be purchasing as principal on behalf of a fully managed account and qualifies as an accredited investor under paragraph (p) of that definition.

If a purchaser is a registered adviser or registered dealer, the filer can select paragraphs “(d) and/or (q)” for that purchaser when completing Schedule 1 if the registered adviser or registered dealer is:

- purchasing as principal for its own account and qualifies as an accredited investor under paragraph (d) of that definition, and/or

- deemed to be purchasing as principal on behalf of a fully managed account and qualifies as an accredited investor under paragraph (q) of that definition.

We have updated the Excel template for Schedule 1 to provide these options for filers to select.

21.2 What steps are sellers expected to take to verify a purchaser's status?

The seller of securities is responsible for determining whether the terms and conditions of the prospectus exemption are met. Sellers are reminded of the guidance set out in section 1.9 of 45-106CP regarding their responsibility for compliance and verifying purchaser status. In particular, paragraph 1.9(4) of 45-106CP describes procedures that a seller could implement in order to reasonably confirm that the purchaser meets the conditions for a particular exemption. Some examples of these steps include:

- establishing policies and procedures to confirm that all parties acting on behalf of the seller understand the conditions that must be satisfied to rely on the exemption, and
- obtaining information that confirms the purchaser meets the criteria in the exemption.

Whether the types of steps are reasonable will depend on the particular facts and circumstances of the purchaser, the offering and the exemption being relied on. For certain purchasers, such as Canadian financial institutions, Schedule III banks and pension funds, it may not be necessary for the seller to reconfirm the purchaser's status for each distribution to that purchaser.

Certification

22. Who is certifying the report?

Item 10 of the report is a certification by the issuer or underwriter filing the report. The certification must generally be signed by a director or officer of the issuer or underwriter filing the report. Refer to tip 10 in Annex 1 for guidance on the signatory.

In signing the certification, the director or officer certifying the report is doing so on behalf of the issuer or underwriter.

The report states that it is an offence to make a misrepresentation in the report. Securities legislation of a jurisdiction in which the report is filed may impose liability on any person that makes a statement in the report that, in a material respect and at the time and in light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading. Securities legislation may also impose liability on any director or officer of an issuer or underwriter who authorizes, permits or acquiesces in the filing of such a report, including the individual signing the report for and on behalf of the filer. Such legislation may also provide a defence to liability based on the person or company's knowledge after exercising reasonable diligence. The potential personal liability of directors and officers of the filer is determined by applicable securities legislation and case law.

ANNEX 4
Transition to the 2016 Report

This Annex provides further guidance on whether the Prior Report or the 2016 Report should be filed.

Issuers other than investment funds filing annually

All issuers and underwriters, other than investment fund issuers filing reports annually, must use the 2016 Report for distributions that occur on or after June 30, 2016. If an issuer completes a distribution before June 30, 2016, and the deadline to file the report occurs after June 30, 2016, the filer must file the Prior Report. If an issuer completes multiple distributions on dates that occur within a 10-day period beginning before and ending after June 30, 2016, the filer may file either the Prior Report or the 2016 Report to report such distributions.

Please see the examples in Table 1 below for further clarity on the report that should be filed.

TABLE 1: FILING THE 2016 REPORT			
	Distribution period covered by report	Filing deadline¹⁰	Report required
Issuer 1	June 20, 2016 to June 29, 2016	June 30, 2016	Prior Report
Issuer 2	June 21, 2016 to June 30, 2016	July 1, 2016	Prior Report or 2016 Report
Issuer 3	June 27, 2016	July 7, 2016	Prior Report
Issuer 4	June 28, 2016 to July 1, 2016	July 8, 2016	Prior Report or 2016 Report
Issuer 5	June 30, 2016 to July 8, 2016	July 10, 2016 ¹¹	2016 Report
Issuer 6	July 4, 2016	July 14, 2016	2016 Report
Issuer 7	July 5, 2016 to July 14, 2016	July 15, 2016	2016 Report

¹⁰ The report must be filed no later than 10 days after the first distribution in the report.

¹¹ If the filing deadline falls on a Saturday, Sunday or another day when the CSA member with which the report being filed is closed, the deadline is the next day on which the CSA member is open.

Investment fund issuers that file annually

Investment funds relying on certain prospectus exemptions may file reports of exempt distribution annually, within 30 days after the end of the calendar year. We have provided a transition period to allow investment fund issuers that file annually to file either the Prior Report or the 2016 Report for distributions that occur before January 1, 2017. For distributions that occur on or after January 1, 2017, all investment fund issuers filing annually must file the 2016 Report.

Please see the examples in Table 2 for further clarity on the report that should be filed.

TABLE 2: TRANSITION PERIOD FOR INVESTMENT FUND ISSUERS THAT REPORT ANNUALLY						
	Financial year-end	2016		2017		2018
		Filing deadline	Report required	Filing deadline	Report required	Filing deadline
Investment Fund Issuer 1	Dec 31	Jan 30, 2016	Prior Report - For distributions completed between Jan 1, 2015 and Dec 31, 2015	Jan 30, 2017	Prior Report <u>or</u> 2016 Report - For distributions completed between Jan 1, 2016 and Dec 31, 2016	Jan 30, 2018 2016 Report - For distributions completed between Jan 1, 2017 and Dec 31, 2017
Investment Fund Issuer 2	Apr 30	May 30, 2016	Prior Report - For distributions completed between May 1, 2015 and Apr 30, 2016	Jan 30, 2017	Prior Report <u>or</u> 2016 Report - For distributions completed between May 1, 2016 and Dec 31, 2016	Jan 30, 2018 2016 Report - For distributions completed between Jan 1, 2017 and Dec 31, 2017
Investment Fund Issuer 3	May 31	Jun 30, 2016	Prior Report - For distributions completed between Jun 1, 2015 and May 31, 2016	Jan 30, 2017	Prior Report <u>or</u> 2016 Report - For distributions completed between Jun 1, 2016 and Dec 31, 2016	Jan 30, 2018 2016 Report - For distributions completed between Jan 1, 2017 and Dec 31, 2017

TABLE 2: TRANSITION PERIOD FOR INVESTMENT FUND ISSUERS THAT REPORT ANNUALLY

	Financial year-end	2016		2017		2018	
		Filing deadline	Report required	Filing deadline	Report required	Filing deadline	Report required
Investment Fund Issuer 4	Jun 30	N/A	N/A	Jan 30, 2017	Prior Report <u>or</u> 2016 Report - For distributions completed between Jul, 1 2015 and Dec 31, 2016	Jan 30, 2018	2016 Report - For distributions completed between Jan 1, 2017 and Dec 31, 2017
Investment Fund Issuer 5	Sept 30	N/A	N/A	Jan 30, 2017	Prior Report <u>or</u> 2016 Report - For distributions completed between Oct 1, 2015 and Dec 31, 2016	Jan 30, 2018	2016 Report - For distributions completed between Jan 1, 2017 and Dec 31, 2017

ANNEX 5

Contact Information of Public Officials regarding Indirect Collection of Personal Information

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission

500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)

85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnbc.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador

Financial Services Regulation Division

P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

**Government of the Northwest Territories
Office of the Superintendent of Securities**

P.O. Box 1320

Yellowknife, Northwest Territories X1A 2L9

Telephone: (867) 767-9305

Facsimile: (867) 873-0243

Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission

Suite 400, 5251 Duke Street

Duke Tower

P.O. Box 458

Halifax, Nova Scotia B3J 2P8

Telephone: (902) 424-7768

Facsimile: (902) 424-4625

Public official contact regarding indirect collection of information: Executive Director

Government of Nunavut

Department of Justice

Legal Registries Division

P.O. Box 1000, Station 570

1st Floor, Brown Building

Iqaluit, Nunavut X0A 0H0

Telephone: (867) 975-6590

Facsimile: (867) 975-6594

Public official contact regarding indirect collection of information: Superintendent of Securities

Ontario Securities Commission

20 Queen Street West, 22nd Floor

Toronto, Ontario M5H 3S8

Telephone: (416) 593- 8314

Toll free in Canada: 1-877-785-1555

Facsimile: (416) 593-8122

Email: exemptmarketfilings@osc.gov.on.ca

Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building

P.O. Box 2000

Charlottetown, Prince Edward Island C1A 7N8

Telephone: (902) 368-4569

Facsimile: (902) 368-5283

Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers

800, Square Victoria, 22e étage

C.P. 246, Tour de la Bourse

Montréal, Québec H4Z 1G3

Telephone: (514) 395-0337 or 1-877-525-0337

Facsimile: (514) 873-6155 (For filing purposes only)

Facsimile: (514) 864-6381 (For privacy requests only)

Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers);

fonds_investissement@lautorite.qc.ca (For investment fund issuers)

Public official contact regarding indirect collection of information: Secrétaire générale

Financial and Consumer Affairs Authority of Saskatchewan

Suite 601 - 1919 Saskatchewan Drive

Regina, Saskatchewan S4P 4H2

Telephone: (306) 787-5842

Facsimile: (306) 787-5899

Public official contact regarding indirect collection of information: Director

Government of Yukon

Department of Community Services

Office of the Superintendent of Securities

307 Black Street

Whitehorse, Yukon Y1A 2N1

Telephone: 867-667-5466

Facsimile: (867)393-6251

Email: securities@gov.yk.ca

Public official contact regarding indirect collection of information: Superintendent of Securities

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1.1.2 CSA Multilateral Staff Notice 58-308 Staff Review of Women on Boards and in Executive Officer Positions – Compliance with NI 58-101 Disclosure of Corporate Governance Practices

CSA Multilateral Staff Notice 58-308 *Staff Review of Women on Boards and in Executive Officer Positions – Compliance with NI 58-101 Disclosure of Corporate Governance Practices* is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the CSA Multilateral Staff Notice.

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CSA Multilateral Staff Notice 58-308

***Staff Review of Women on Boards and in Executive Officer Positions –
Compliance with NI 58-101 Disclosure of Corporate Governance Practices***

Date: September 28, 2016

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Executive Summary

National Instrument 58-101 *Disclosure of Corporate Governance Practices (NI 58-101)* requires non-venture issuers in Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Québec, Saskatchewan and Yukon (the **Participating Jurisdictions**) to disclose certain information regarding women on boards and in executive positions (the **WB/EP Rules**). The WB/EP Rules require that, on an annual basis, each non-venture issuer disclose:

- the number and percentage of women on the issuer's board of directors (the **board**) and in executive officer positions;
- whether it has a policy relating to the identification and nomination of women directors;
- whether it has director term limits or other mechanisms of board renewal;
- whether it has targets for women on its board and in its executive officer positions; and
- if it considers the representation of women in its director identification and selection process and in its executive officer appointments.

In the event that a non-venture issuer has not adopted the above policy, board renewal mechanisms or targets or does not consider the representation of women, the WB/EP Rules require the issuer to explain

why it has not done so. The WB/EP Rules are intended to increase transparency for investors and other stakeholders regarding the representation of women on boards and in executive officer positions and the approach that specific issuers take in respect of such representation. This transparency is intended to assist investors when making investment and voting decisions.

On September 28, 2015, we published CSA Multilateral Staff Notice 58-307 *Staff Review of Women on Boards and in Executive Officer Positions – Compliance with NI 58-101 Disclosure of Corporate Governance Practices* (the **Year 1 Notice**). The Year 1 Notice summarized the findings of our review of the corporate governance disclosure of 722 issuers as it relates to the WB/EP Rules (the sample included all issuers having year-ends between December 31, 2014, and March 31, 2015 that released disclosure on corporate governance by July 31, 2015).

Staff in the Participating Jurisdictions (or **we**) are publishing this notice (the **Staff Notice**) to:

- report the findings of our review of the corporate governance disclosure of a sample comprising 677 non-venture issuers relating to the WB/EP Rules, and
- draw comparisons between our current sample and the sample from last year.

As of April 30, 2016, there were 859 issuers listed on the Toronto Stock Exchange and subject to NI 58-101. Of these, 677 issuers had year-ends between December 31, 2015 and March 31, 2016, and filed information circulars or annual information forms by July 31, 2016. Our sample for this Staff Notice comprises these 677 non-venture issuers. To remain consistent with the scope of our Year 1 Notice, our current sample does not capture issuers with year-ends outside of the December 31 to March 31 period.

Our findings, and the comparisons between this sample and the data reported in the Year 1 Notice, provide a partial picture of the year since both samples exclude data from issuers with year-ends outside of the December 31 to March 31 period. In particular, most banks, which are part of an industry that has generally been an early adopter of diversity initiatives, are not included in either sample.¹ Once all issuers have made the corporate governance disclosure required by the WB/EP Rules for two consecutive years, we intend to publish a comparison of the complete two-year results.

Among the issuer sample in year 2, we found that:

Board

- There are more women on boards than last year;
 - The number of women on boards has increased in all size categories of issuers, with large issuers still leading the way;
 - In the case of the 215 largest issuers (over \$1 billion market capitalization), 18% of board seats are now held by women, compared with 16% the year before, and in the case of the 42 largest issuers (over \$10 billion market capitalization) these numbers are 23% and

¹ The six largest banks have an average female board representation of 35%, based on information provided in their 2016 circulars.

- 21%, respectively;
- Overall, 12% of the total board seats in our sample were occupied by women, up from 11% last year;
 - 55% of issuers have at least one woman on their boards, a 6% increase over last year, and 66 issuers (or 10%) have three or more women on their boards, compared to 56 issuers (or 8%) the year before;
 - 21% of issuers adopted a policy relating to the identification and nomination of women directors compared to 15% reported in the Year 1 Notice;
 - Issuers that reported having a policy relating to the representation of women on their boards had average female board representation of 18% compared to issuers with no policy, which averaged 10% female board representation;
 - 9% of issuers set a target for the representation of women on their boards, up from 7% reported in the Year 1 Notice;
 - Issuers with board targets have an average of 25% female board representation compared to issuers without targets that average 10% female representation;
 - 66% of issuers disclosed that they consider the representation of women on their boards as part of their director identification and nominating process, compared to 60% reported in the Year 1 Notice;
 - 20% of issuers adopted director term limits compared to 19% reported last year;

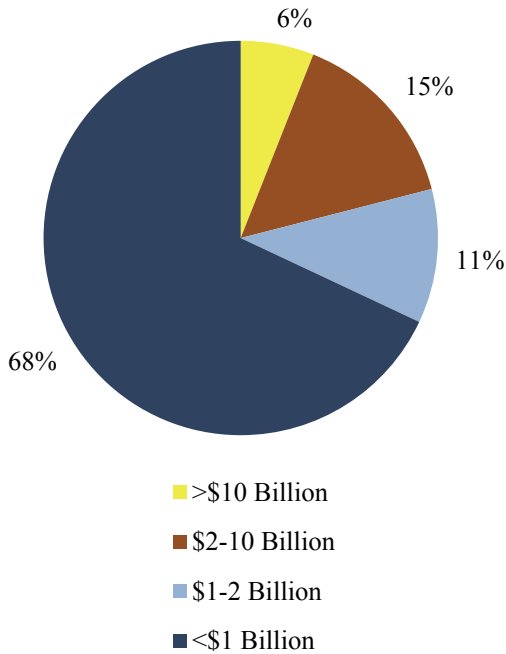
Executive Officers

- Although the number of issuers having at least one female executive officer has remained relatively stable, 58% of issuers disclosed that they consider the representation of women when making executive officer appointments, an increase from 53% last year.

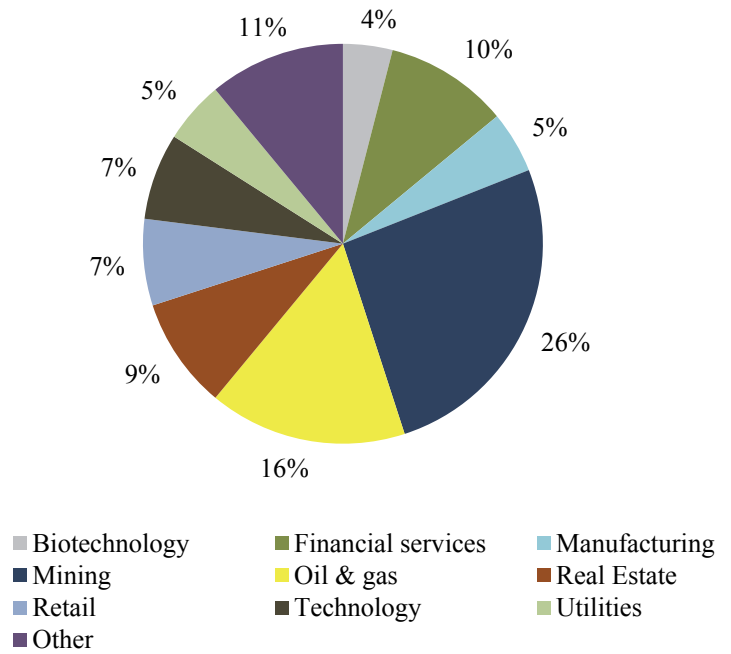
Market Capitalization and Industries in Current Sample

The market capitalization of most of the issuers in the sample is below \$1 billion (68%). Just over 40% of the sampled issuers are in either the mining or oil and gas industries, with other industries fairly evenly represented. Consistent with our findings in the Year 1 Notice, the results of the current review did not vary significantly by region. Once again, issuer size and industry were the most significant indicators of whether issuers adopted initiatives to increase the representation of women on their boards or in executive officer positions.

Market capitalization in sample



Industries in sample



Findings

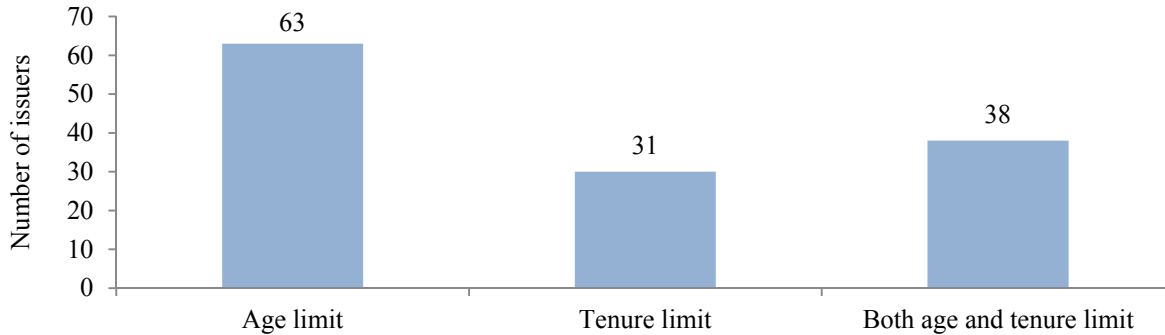
Director Term Limits and Other Mechanisms of Board Renewal

Form 58-101F1 *Corporate Governance Disclosure (Form 58-101F1)*, Item 10

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

We found that 20% of issuers adopted director term limits compared to 19% reported last year. Of the 132 issuers that reported having director term limits, 48% set age limits, 23% had tenure limits and 29% had both. Similar to last year, less than 3% of issuers failed to provide a reason for not adopting board renewal mechanisms. Generally, issuers without director term limits or other mechanisms of board renewal provided several reasons for not adopting board renewal mechanisms. The most common reason provided is that director terms limits reduce continuity or experience on the board. Many issuers continue to remark that they have other mechanisms of board renewal. We remind non-venture issuers that they have an obligation under Item 9 of Form 58-101F1 to regularly assess their boards and committees for effectiveness and contribution and that the other mechanisms of board renewal under Item 10 may require additional procedures.

Types of Term Limits Adopted



Policies Regarding the Representation of Women on the Board

Form 58-101F1, Item 11

(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.

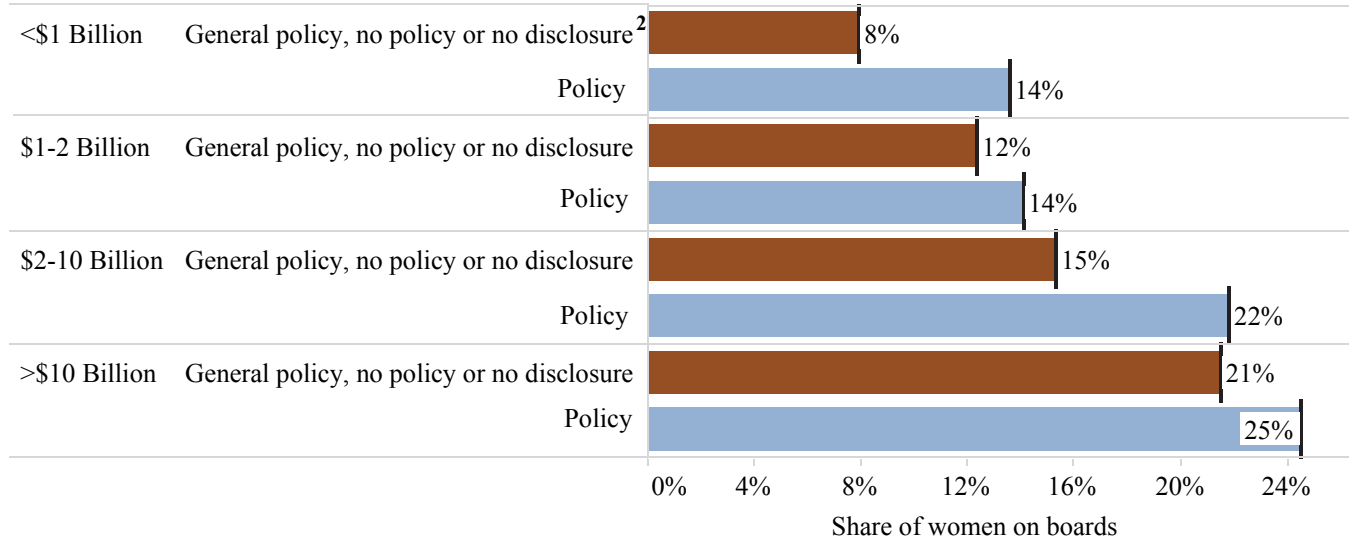
(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:

- (i) a short summary of its objectives and key provisions,*
- (ii) the measures taken to ensure that the policy has been effectively implemented,*
- (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and*
- (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.*

Of the issuers in the sample, 21% (or 141 issuers) clearly disclosed the adoption of a policy relating to the identification and nomination of women directors, which is an increase over the 15% (or 111 issuers) reported in the Year 1 Notice, and 59% of issuers disclosed that they did not adopt a policy, compared to 65% in the Year 1 Notice. Only 2% of issuers (or 13 issuers) provided no disclosure related to policy adoption, compared to 8% (or 61 issuers) last year. The remaining issuers had diversity policies that did not specifically address women.

For issuers of all sizes, those that had a policy relating to the representation of women on their boards had a higher percentage of women on their boards than issuers without a policy. The 141 issuers with a policy relating to the representation of women on their boards had average female board representation of 18% compared to issuers with no such policy, which averaged 10% female board representation.

Policy and Women on Boards, by Issuer Size



Consideration of the Representation of Women in the Director Identification and Selection Process

Form 58-101F1, Item 12

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

In our sample, 66% of issuers disclosed that they consider the representation of women on their boards as part of their director identification and nominating process compared to 60% reported in the Year 1 Notice. Disclosure by issuers of how they consider the representation of female directors on their boards in their identification and nomination process significantly improved. This disclosure was made by 70% of issuers compared to 42% last year. The most common reason given by issuers that do not consider the representation of women was that the issuer seeks the best candidates, regardless of gender (91%).

² “General policy” refers to a policy that relates to diversity generally, with no specific mention of women on boards.

Consideration of the Representation of Women in Executive Officer Appointments

Form 58-101F1, Item 13

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

More than half of the sampled issuers (58%) disclosed that they consider the representation of women when making executive officer appointments, an increase from 53% last year. As with board nominations, there was significant improvement this year in the number of issuers that discussed how they consider the level of representation of women with 68% providing an explanation compared to 38% in the Year 1 Notice. Issuers should remember that we expect them to fully comply with this requirement. Again this year, the most common explanation given by issuers that do not consider the representation of women in executive officer appointments was that their selection is based on merit.

Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

Form 58-101F1, Item 14

(a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.

(b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.

(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

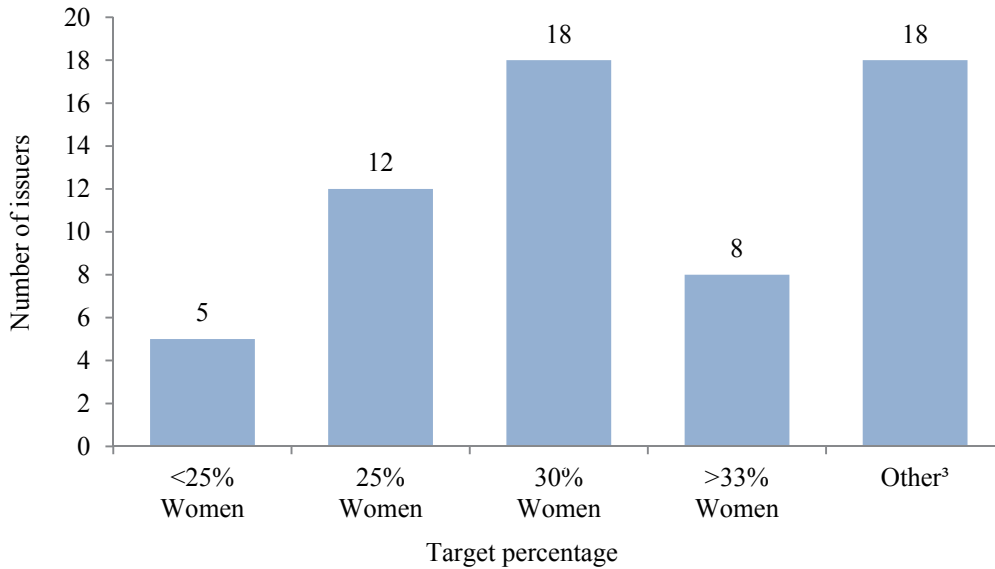
(d) If the issuer has adopted a target referred to in either (b) or (c), disclose:

(i) the target, and

(ii) the annual and cumulative progress of the issuer in achieving the target.

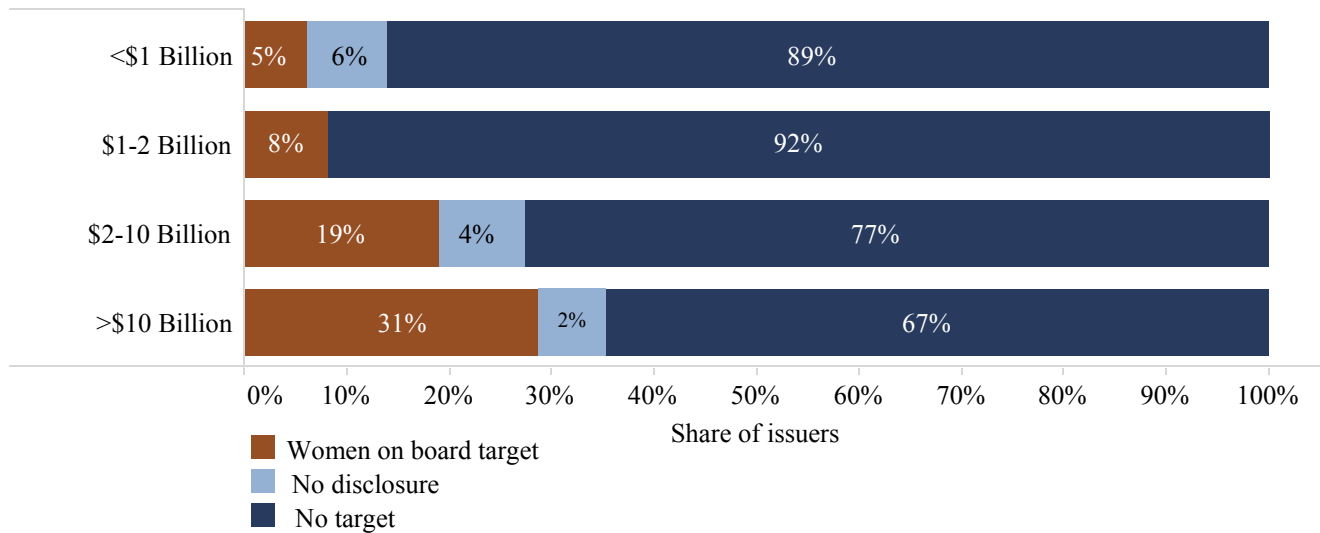
Formal targets for the representation of women on their boards were set by 61 issuers (9%), up from 49 issuers (7%) disclosed last year. Formal targets for the representation of women in executive officer positions were set by 15 issuers (2%) compared to 11 issuers (2%) reported in the Year 1 Notice. Of issuers with board targets, 57% had already achieved their stated target.

Adopted Women on Board Targets



The larger an issuer the more likely it was to implement a target for board representation, with 31% of companies over \$10 billion adopting a target compared to just 5% of companies under \$1 billion. A variety of reasons were given by issuers for not adopting targets for the representation of women on their boards or in executive officer positions. The most common reason cited was that candidates are selected based on merit (70%).

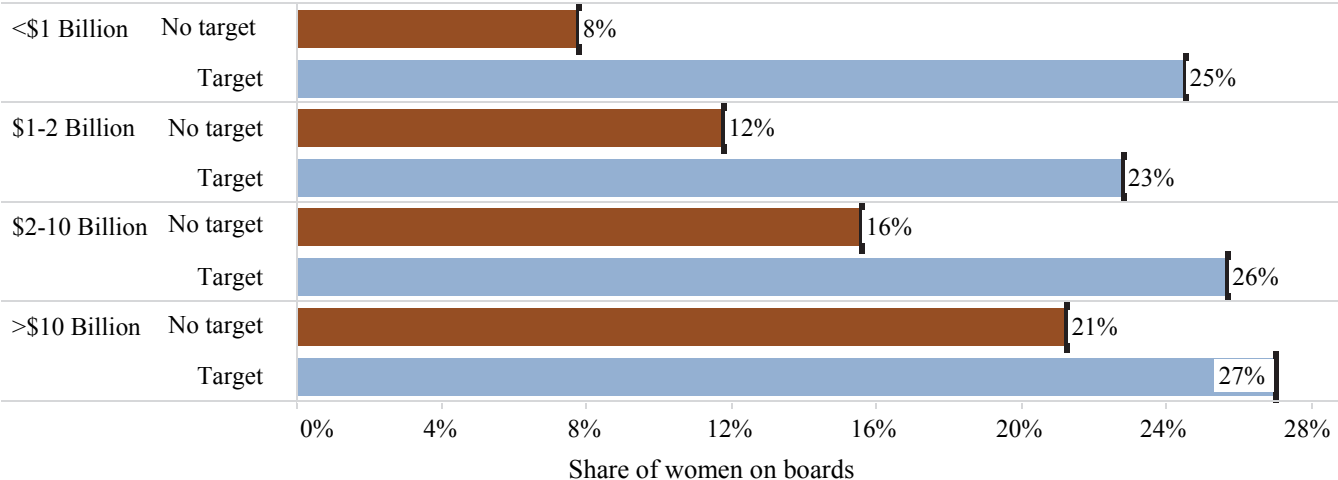
Board Target Adoption Rates, by Issuer Size



³ Includes targets set for a number of board members without specifying the size of the board and targets set for only a portion of the board such as the independent directors.

Regardless of market capitalization, for issuers that have board targets, we saw a greater number of women on their boards when compared to issuers without targets. Issuers with board targets have an average of 25% female representation on their boards compared to issuers without a target that have an average of 10% female representation.

Target Setting and Women on Boards, by Issuer Size



Number of Women on the Board and in Executive Officer Positions

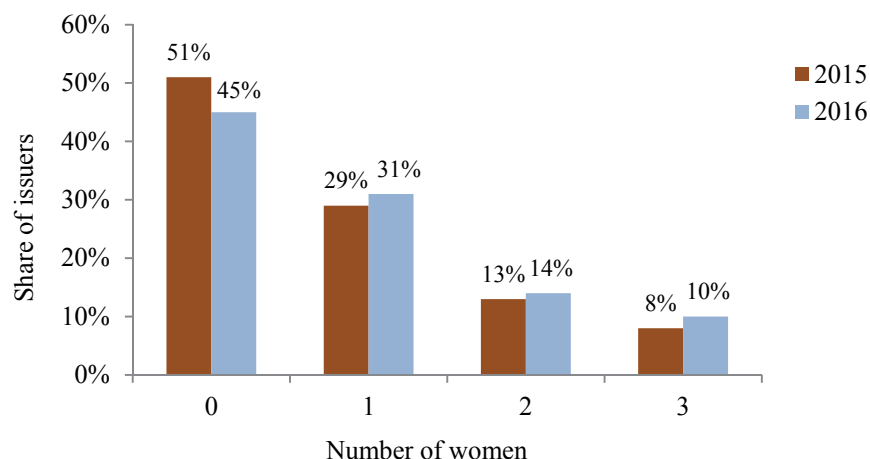
Form 58-101F1, Item 15

(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.

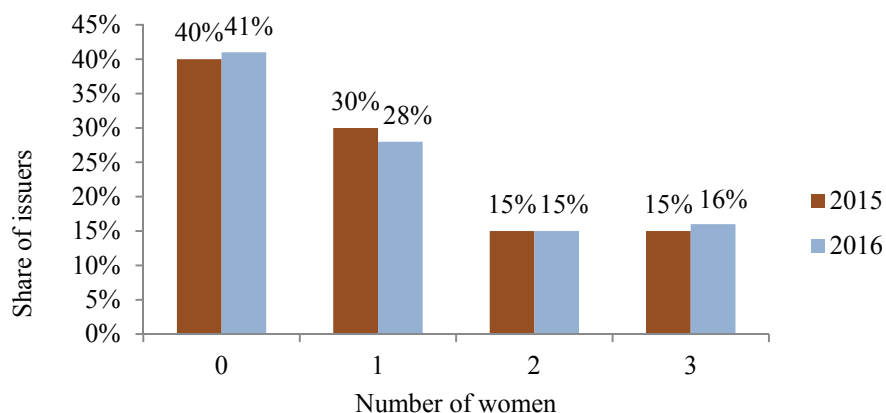
(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

The number or the percentage of women on their boards was disclosed by 94% of issuers in the sample and 90% disclosed the number or the percentage of women in executive officer positions. Although this is an improvement in disclosure over last year, we remind issuers that they must provide both the number and percentage each year. We found that 55% of issuers have at least one woman on their boards, a 6% increase over last year, whereas 59% of issuers that disclosed executive officer information have at least one female executive officer, consistent with the 60% reported last year.

Number of Women on Boards (2015 – 2016)⁴



Number of Women in Executive Officer Positions (2015 – 2016)⁵



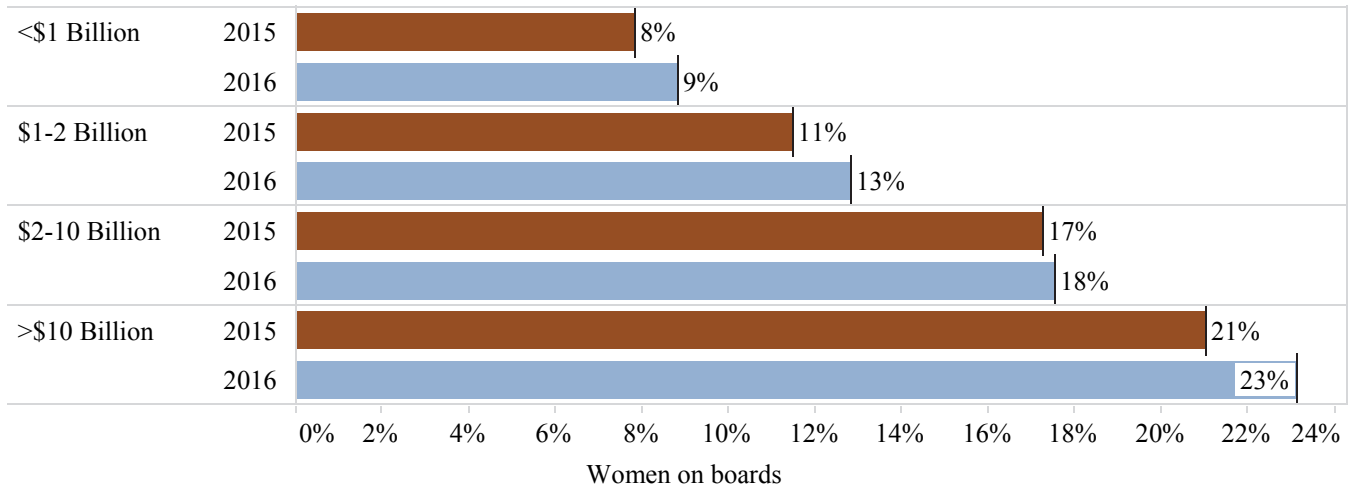
We found 10% of issuers added one or more women to their boards in the past year, compared to 15% reported in the Year 1 Notice.⁶ Although this figure is lower than last year, the overall percentage of board seats occupied by women this year increased from 11% to 12%. As observed last year, the number of women on boards increased with the size of the issuer. Nevertheless, there has been a year over year increase in the number of board seats occupied by women in all size categories of issuers. In the case of very large issuers (over \$10 billion market capitalization), 23% of board seats are now held by women.

⁴ Based on 722 issuers in year 1 and 677 issuers in year 2.

⁵ Based on 598 issuers that provided the number of women in executive officer positions in year 1 and 613 issuers in year 2.

⁶ Based on the 649 issuers that we reviewed in year 1.

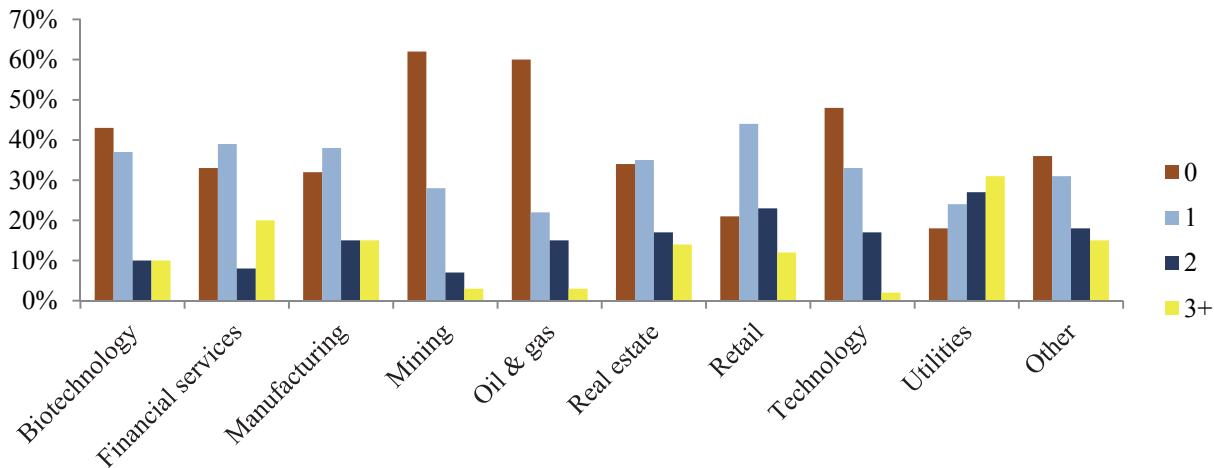
Board Seats Occupied by Women, by Issuer Size (2015 – 2016)



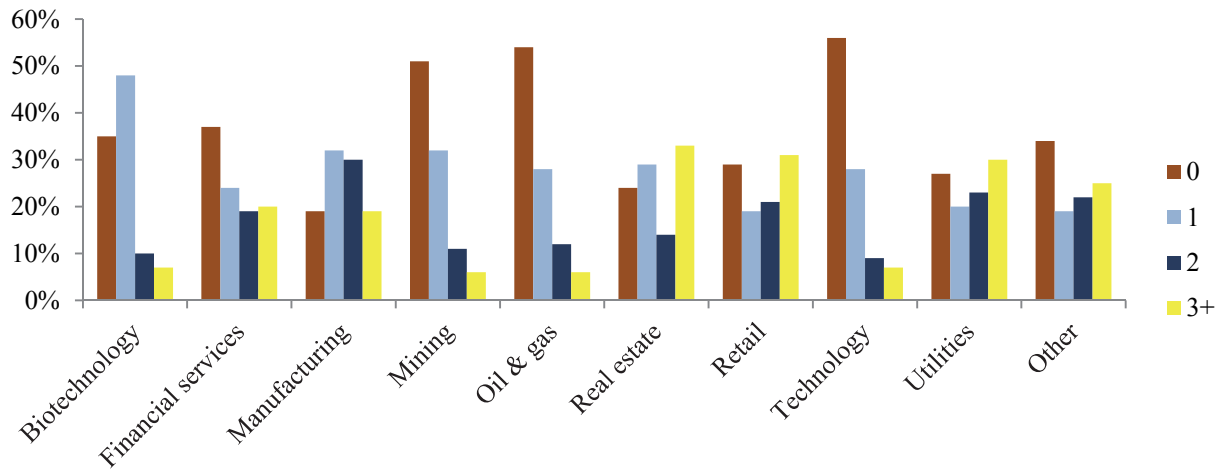
As we observed last year, the number of women on boards and in executive officer positions varied significantly by industry. Once again, the utilities and retail industries had the most women on their boards. Consistent with last year, 58% of issuers in the utilities industry reported having two or more women directors on their boards, whereas 35% of issuers in the retail industry reported having two or more women on their boards, down from 43% of issuers reported last year. The utilities and retail industries also had the fewest boards with no women on them at 18% and 21%, respectively (compared to 14% and 22% last year).

Again this year, the mining, oil and gas and technology industries had the most issuers with no women on their boards. Of issuers in the mining and oil and gas industries, 62% and 60%, respectively, reported that they had no women on their boards. 48% of issuers in the technology industry had no women on their boards, a decrease from the 61% reported last year. The mining, oil and gas and technology industries also have the greatest percentage of issuers that do not have any female executive officers.

Number of Women on Boards, by Industry



Number of Women in Executive Officer Positions, by Industry



Conclusion

This Staff Notice reports the findings of our second year review of the corporate governance disclosure resulting from the WB/EP Rules. This Staff Notice also compares the results of this review against those reported in the Year 1 Notice. Our findings indicate an improvement in the number of women on the boards of non-venture issuers across all size categories of issuers, although there remain important variations by industry.

As noted in various sections of this notice, we found that a number of issuers did not provide complete disclosure with respect to certain requirements of the WB/EP Rules. We remind issuers that we expect them to fully comply with all disclosure requirements. We will continue to evaluate and report on the corporate governance disclosure of non-venture issuers to ensure meaningful disclosure is provided regarding the representation of women on boards and in executive officer positions and to measure the impact of the WB/EP Rules.

Questions

Please refer your questions to any of the following people:

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Questrade, Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application by investment dealer (Filer) for relief from prospectus requirement in connection with distribution of contracts for difference and OTC foreign exchange contracts (collectively, CFDs) to investors, subject to terms and conditions – Filer acts as both market intermediary and as principal or counterparty to CFD transaction with client – Filer registered as investment dealer and a member of the Investment Industry Regulatory Organization of Canada (IIROC) – Filer complies with IIROC rules and IIROC acceptable practices applicable to offerings of CFDs – Filer seeking relief to permit Filer to offer CFDs to investors on the basis of clear and plain language risk disclosure document rather than a prospectus – risk disclosure document contains disclosure substantially similar to risk disclosure document required for recognized options in OSC Rule 91-502 Trades in Recognized Options, the regime for OTC derivatives contemplated by former proposed OSC Rule 91-504 OTC Derivatives (which was not adopted), and the Quebec Derivatives Act – Relief consistent with relief contemplated by OSC Staff Notice 91-702 Offerings of contracts for difference and foreign exchange contracts to investors in Ontario (OSC SN 91-702) – Relief revokes and replaces relief previously granted to Filer in October 2011 in respect of distribution of CFDs – Relief granted, subject to terms and conditions as described in OSC SN 91-702 including four-year sunset clause.

Legislation Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1)

NI 45-106 Prospectus Exemptions, s. 2.3.

OSC Rule 91-502 Trades in Recognized Options.

OSC Rule 91-503 Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario.

Proposed OSC Rule 91-504 OTC Derivatives (not adopted).

September 16, 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
QUESTRADE, INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the Filer and its respective officers, directors and representatives be exempt from the prospectus requirement in respect of the distribution of contracts for difference, over-the-counter (**OTC**) foreign exchange contracts and other similar CFDs (collectively, **CFDs**) to investors resident in the Applicable Jurisdictions (as defined below) (the **Requested Relief**) subject to the terms and conditions below.

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 (the **Principal Regulator**); and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada, other than the provinces of Québec and Alberta (the **Non-Principal Jurisdictions**, and, together with the Jurisdiction, the **Applicable Jurisdictions**).

Interpretation

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

The Filer

1. The Filer is a corporation incorporated under the Ontario *Business Corporations Act*, with its head office in Toronto, Ontario.
2. The Filer is registered as a dealer in the category of investment dealer in each of the provinces and territories of Canada, and is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).
3. The Filer is registered under the *Commodity Futures Act* as a “Futures Commission Merchant” in the category of introducing broker in Ontario and Manitoba.
4. The Filer is not, to the best of its knowledge, in default of any requirements of securities legislation in Canada or IIROC Rules or IIROC Acceptable Practices (as defined below).
5. The Filer does not have any securities listed or quoted on an exchange or marketplace in any jurisdiction inside or outside of Canada.
6. The Filer currently offers OTC foreign exchange contracts and other CFDs to “accredited investors” as defined in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) and to retail investors pursuant to In the Matter of Questrade Inc. dated September 10, 2012 (the **Existing Relief**). For the time period from the date of the Existing Relief to the date of this Decision, the Filer has been in compliance with the terms and conditions of the Existing Relief.
7. The Filer wishes to continue to offer OTC foreign exchange contracts and other types of CFDs to investors in the Applicable Jurisdictions on the terms and conditions described in this Decision. For the Interim Period (as defined below), the Filer is seeking the Requested Relief in connection with this proposed continued offering of CFDs in Ontario and intends to rely on this Decision and the “Passport System” described in MI 11-102 (the **Passport System**) to offer CFDs in the Non-Principal Jurisdictions.
8. In Québec, the Filer is qualified by the Autorité des marchés financiers (**AMF**) pursuant to sections 82 and 83 of the *Derivatives Act* (Québec) (the **QDA**) and authorized to market certain forward contracts and CFDs offered to the public, subject to the terms and conditions of its qualification decision and related provisions of the QDA.
9. The Filer understands that staff of the Alberta Securities Commission have public interest concerns with CFD trading by retail clients and, accordingly, the Filer intends to offer CFDs to investors in Alberta only in reliance upon available exemptions in NI 45-106 or otherwise in compliance with securities legislation in Alberta. The Filer undertakes not to give notice that subsection 4.7(1) of MI 11-102 is intended to be relied upon in Alberta.

IIROC Rules and Acceptable Practices

10. As a member of IIROC, the Filer is only permitted to enter into CFDs pursuant to the rules and regulations of IIROC (the **IIROC Rules**).
11. In addition, IIROC has communicated to its members certain additional expectations as to acceptable business practices (**IIROC Acceptable Practices**) as articulated in IIROC's paper “*Regulatory Analysis of Contracts for Differences (CFDs)*” published by IIROC on June 6, 2007, as amended on September 12, 2007 (the **IIROC CFD**).

Paper), for any IIROC member proposing to offer OTC foreign exchange contracts or other types of CFDs to investors. To the best of its knowledge, the Filer is in compliance with IIROC Acceptable Practices in offering CFDs. The Filer will continue to offer CFDs in accordance with IIROC Acceptable Practices as may be established from time to time.

12. The Filer is required by IIROC to maintain a certain level of capital to address the business risks associated with its activities. The capital reporting required by IIROC (as per the calculation in the Form 1 Joint Regulatory Financial Questionnaire and Report (**Form 1**), and in the Monthly Financial Reports to IIROC) is based predominantly on the generation of financial statements and calculations so as to ensure capital adequacy. The Filer, as an IIROC member, is required to have a specified minimum capital which includes having any additional capital required with regards to margin requirements and other risks. This risk calculation is summarized as a risk adjusted capital calculation which is submitted in the Filer's Form 1 and required to be kept positive at all times.

Online Trading Platform

13. The Filer offers online self-directed trading in CFDs via an online trading platform (the **Platform**), which is a proprietary and fully automated internet-based trading platform.
14. The Platform technology has certain client protection mechanisms and risk management tools. It provides transparency of price to clients. The Platform is a key component of a comprehensive risk management strategy, which will help the Filer's clients and the Filer to manage the risk associated with leveraged products. This risk management system has evolved over many years with the objective of meeting the mutual interests of all relevant parties (including, in particular, clients). These attributes and services are described in more detail below:
 - (a) *Client reporting.* Clients are provided with a real-time view of their margin balance, including how tick-by-tick price movements affect their margin balances. Account balances are updated daily.
 - (b) *Automated risk management system.* Clients are instructed that they must maintain the required margin against their position(s). If a client's funds drops below the required margin, margin calls are regularly issued via email, alerting the client to the fact that the client is required to either deposit more funds to maintain the position or close/reduce it voluntarily. Where possible, daily telephone margin calls are provided as a supporting communication for clients. However, if a client fails to deposit more funds, where required, the client's position is liquidated. This liquidation procedure is intended to act as a mechanism to help reduce the risk of losses being greater than the amount deposited. The risk management functionality of the Platform ensures that client positions are closed out when the client no longer maintains sufficient margin in their account to support the position, thereby preventing the client from losing more than their stated risk capital or cumulative loss limit. This functionality also ensures that the Filer will not incur any credit risk vis-a-vis its customers in respect of transactions in CFDs.
 - (c) *Wide range of order types.* The Platform also provides risk management tools such as stops, limits, and contingent orders, which are available on all CFDs. These tools are designed to help reduce the risk of losses being greater than the amount deposited by a client.
15. The Platform is similar to those developed for on-line brokerages in that the client trades without other communication with, or advice from, the dealer.
16. Clients conduct CFD transactions through the Platform. The Platform is not a "marketplace" as defined in National Instrument 21-101 *Marketplace Operation* since a marketplace is any facility that brings together multiple buyers and sellers by matching orders in fungible contracts in a nondiscretionary manner. The Platform does not bring together multiple buyers and sellers; rather it offers clients direct access to real time currency rates and prices quotes for the CFDs.
17. The CFDs are not transferable or fungible with other contracts or financial instruments.
18. The Filer will be the counterparty to trades by its clients in CFDs (**OTC Transactions**). It will not act as an intermediary, broker or trustee in respect of OTC Transactions. The Filer does not manage any discretionary accounts, nor does it provide any trading advice or recommendations.
19. The Filer manages the risk in its client positions by simultaneously placing the identical OTC Transaction on a back-to-back basis with an "acceptable counterparty" (as the term is defined in IIROC Form 1) (the **Acceptable Counterparty**). The Acceptable Counterparty, in turn, automatically offsets each position against other client positions on a second-by-second basis, and either "hedges" its net exposure by trading with liquidity providers (banks) or using its equity capital, or both. By virtue of this risk management functionality inherent in the Platform, the Filer eliminates both market risk and counterparty risk. This also means that the Filer does not have an inherent conflict of interest with its clients since it

does not profit on either the loss or gain of the client, is compensated solely by the spread, and does not charge any account opening or maintenance fees, commissions or other charges of any kind. If the Filer makes any changes to this compensation model in the future, including introducing any fees, commissions or other charges in respect of CFDs, the Filer will provide reasonable prior notice to its clients and to IIROC and will ensure that all such changes are in accordance with IIROC Rules and IIROC Acceptable Practices.

20. The ability to lever an investment is one of the principal features of CFDs. Leverage allows clients to magnify investment returns (or losses) by reducing the initial capital outlay required to achieve the same market exposure that would be obtained by investing directly in the underlying currency or instrument.
21. IIROC Rules and IIROC Acceptable Practices set out detailed requirements and expectations relating to leverage and margin for offerings of CFDs. The degree of leverage may be amended in accordance with IIROC Rules and IIROC Acceptable Practices as may be established from time to time.
22. Pursuant to Section 13.12 *Restriction on lending to clients* of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, only those firms that are registered as investment dealers (a condition of which is to be a member of IIROC) may lend money, extend credit or provide margin to a client.

Structure of CFDs

23. A CFD is a derivative product that allows clients to obtain economic exposure to the price movement of an underlying instrument, such as a share, index, market sector, currency pair, treasury or commodity, without the need for ownership and physical settlement of the underlying instrument. Unlike certain OTC derivatives, such as forward contracts, CFDs do not require or oblige either the client or principal counterparty (being the Filer for purposes of the Requested Relief), nor any agent of the principal counterparty (also being the Filer for the purposes of the Requested Relief) to deliver the underlying instrument.
24. The CFDs to be offered by the Filer will not confer the right or obligation to acquire or deliver the underlying security or instrument itself, and will not confer any other rights of shareholders of the underlying security or instrument, such as voting rights. Rather, a CFD is a derivative instrument which is represented by an agreement between a client and a counterparty to exchange the difference between the opening price of a CFD position and the price of the CFD at the closing of the position. The value of the CFD is generally reflective of the movement in prices at which the underlying instrument is traded at the time of opening and closing the position in the CFD.
25. CFDs allow clients to take a long or short position on an underlying instrument, but unlike futures contracts they have no fixed expiry date or an obligation for physical delivery of the underlying instrument.
26. CFDs allow clients to obtain exposure to markets and instruments that may not be available directly, or may not be available in a cost-effective manner.

CFDs Distributed in the Applicable Jurisdictions

27. Certain types of CFDs may be considered to be "securities" under the securities legislation of the Applicable Jurisdictions.
28. Investors wishing to enter into CFD transactions with the Filer must open an account with the Filer.
29. Prior to a client's first OTC Transaction and as part of the account opening process, the Filer will provide the client with a separate risk disclosure document that clearly explains, in plain language, the transaction and the risks associated with the transaction (the **Risk Disclosure Document**). The Risk Disclosure Document includes the required risk disclosure set forth in Schedule A to the Regulations to the QDA and leverage risk disclosure required under IIROC Rules. The Risk Disclosure Document contains disclosure that is substantially similar to the risk disclosure statement required for recognized options in OSC Rule 91-502 *Trades in Recognized Options* (which provides both registration and prospectus exemptions) (**OSC Rule 91-502**) and the regime for OTC derivatives contemplated by OSC SN 91-702 (as defined below) and proposed OSC Rule 91-504 *OTC Derivatives* (which was not adopted) (**Proposed Rule 91-504**). The Filer will ensure that the Principal Regulator will receive a complete copy of the Risk Disclosure Document. Furthermore, prior to a client's first OTC Transaction, a complete copy of the Risk Disclosure Document will be delivered to the client through the online account application.
30. As part of the account opening process and prior to the client's first OTC Transaction, the Filer will obtain a written or electronic acknowledgement from the client confirming that the client has read and understood the Risk Disclosure Document. Such acknowledgment will be separate and prominent from other acknowledgements provided by the client as part of the account opening process.

31. As is customary in the industry, and due to the fact that this information is subject to factors beyond the control of the Filer (such as changes in IIROC Rules), information such as the underlying instrument listing and associated margin rates would not be disclosed in the Risk Disclosure Document but will be part of a client's account opening package and will be available on both the Filer's website and the Platform.

Satisfaction of the Registration Requirement

32. The role of the Filer is limited to acting as an execution-only dealer. In this role, the Filer will, among other things, be responsible for approving all marketing, for holding of clients funds and for client approval (including the review of know-your-client (**KYC**) due diligence and account opening suitability assessments).
33. IIROC Rules exempt member firms that provide execution-only services, such as discount brokerage, from the obligation to determine whether each trade is suitable for the client. However, IIROC has exercised its discretion to impose additional requirements on members proposing to trade in CFDs (namely the IIROC Acceptable Practices described in paragraph 11) which requires, among other things, that:
- (a) applicable risk disclosure documents and client suitability waivers provided be in a form acceptable to IIROC;
 - (b) the firm's policies and procedures, amongst other things, require the Filer to assess whether trading in CFDs is appropriate for a client before an account is approved to be opened. This account opening suitability process includes an assessment of the client's investment knowledge and trading experience, client identification, screening applicants and customers against lists of prohibited/blocked persons, and detecting and reporting suspicious trading and potential terrorist financing and money laundering activities to applicable enforcement authorities;
 - (c) the Filer's registered salespeople who assist clients with their KYC and their supervisory trading officer, meet proficiency requirements for futures trading, and are registered with IIROC as Investment Representatives (**IR**) for retail customers. The course proficiency requirements for an IR, Futures Contracts and Futures Contract Options include the completion of the Derivatives Fundamental Course and Futures Licensing Course. In addition, the Filer must have a fully qualified Supervisor who has completed the Canadian Commodity Supervisors Examination in addition to Derivatives Fundamentals Course and Futures Licensing Course.
 - (d) cumulative loss limits for each client's account be established (this is a measure normally used by IIROC in connection with futures trading accounts).
34. The CFDs offered in Canada are offered in compliance with applicable IIROC Rules and other IIROC Acceptable Practices.
35. IIROC limits the underlying instruments in respect of which a member firm may offer CFDs since only certain securities are eligible for reduced margin rates. For example, underlying equity securities must be listed or quoted on certain "recognized exchanges" (as that term is defined in IIROC Rules) such as the Toronto Stock Exchange or the New York Stock Exchange. The purpose of these limits is to ensure that CFDs offered in Canada will only be available in respect of underlying instruments that are traded in well-regulated markets, in significant enough volumes and with adequate publicly available information, so that clients can form a sufficient understanding of the exposure represented by a given CFD.
36. IIROC Rules prohibit the margining of CFDs where the underlying instrument is a synthetic product (single U.S. sector or "mini-indices"). For example, Sector CFDs (i.e., basket of equities for the financial institutions industry) may be offered to non-Canadian clients; however, this is not permissible under IIROC Rules.
37. IIROC members seeking to trade CFDs are generally precluded, by virtue of the nature of the contracts, from distributing CFDs that confer the right or obligation to acquire or deliver the underlying security or instrument itself (**convertible CFDs**), or that confer any other rights of shareholders of the underlying security or instrument, such as voting rights.
38. The Requested Relief, if granted, would (and the Existing Relief does) substantially harmonize the position of the regulators in the Applicable Jurisdictions on the offering of CFDs to investors in the Applicable Jurisdictions with how those products are offered to investors in Québec under the QDA. The QDA provides a legislative framework to govern derivatives activities within the province. Among other things, the QDA requires such products to be offered to investors through an IIROC member and the distribution of a standardized risk disclosure document rather than a prospectus in order to distribute such contracts to investors resident in Québec.

39. The Requested Relief, if granted, would (and the Existing Relief is) be consistent with the guidelines articulated by Staff of the Principal Regulator in OSC Staff Notice 91-702 *Offerings of Contracts for Difference and Foreign Exchange Contracts to Investors (OSC SN 91-702)*. OSC SN 91-702 provides guidance with regards to the distributions of CFDs, foreign exchange contracts (**forex** or **FX contracts**) and similar OTC derivative products to investors in the Jurisdiction.
40. The Principal Regulator has previously recognized that the prospectus requirement may not be well suited for the distribution of certain derivative products to investors in the Jurisdiction, and that alternative requirements, including requirements based on clear and plain language risk disclosure, may be better suited for certain derivatives. In the Jurisdiction, both OSC Rule 91-502 and OSC Rule 91-503 *Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario (OSC Rule 91-503)* provide for a prospectus exemption for the trading of derivative products to clients. The Requested Relief is consistent with the principles and requirements of OSC Rule 91-502, OSC Rule 91-503 and Proposed Rule 91-504.
41. The Filer submits that the Requested Relief, if granted, would (and the Existing Relief does) harmonize the Principal Regulator's position on the offering of CFDs with certain other foreign jurisdictions that have concluded that a clear, plain language risk disclosure document is appropriate for retail clients seeking to trade in foreign exchange contracts.
42. The Filer is of the view that requiring compliance with the prospectus requirement in order to enter into CFDs with retail clients would not be appropriate since the disclosure of a great deal of the information required under a prospectus and under the reporting issuer regime is not material to a client seeking to enter into an OTC Transaction. The information to be given to such a client should principally focus on enhancing the client's appreciation of product risk including counterparty risk. In addition, most CFDs are of short duration (positions are generally opened and closed on the same day and are in any event marked to market and cash settled daily).
43. The Filer is regulated by IIROC, which has a robust compliance regime including specific requirements to address market, capital and operational risks.
44. The Filer submits that the regulatory regimes developed by the AMF and IIROC for CFDs adequately address issues relating to the potential risk to the clients of the Filer acting as counterparty. In view of these regulatory regimes, investors would receive little or no additional benefit from requiring the Filer to also comply with the prospectus requirement.
45. The Requested Relief in respect of each Applicable Jurisdiction is conditional on the Filer being registered as an investment dealer with the Commission in such Applicable Jurisdiction and maintaining its membership with IIROC and that all OTC Transactions be conducted pursuant to IIROC Rules and in accordance with IIROC Acceptable Practices.

Decision

The Principal Regulator is satisfied that the test set out in the Legislation to make the Decision is met.

The Decision of the Principal Regulator is that the Requested Relief is granted provided that:

- (a) all CFDs traded with residents in the Applicable Jurisdictions shall be executed through the Filer;
- (b) with respect to residents of an Applicable Jurisdiction, the Filer remains registered as a dealer in the category of investment dealer with the Principal Regulator and the Commission in such Applicable Jurisdiction and a member of IIROC;
- (c) all transactions in CFDs with clients resident in the Applicable Jurisdictions shall be conducted pursuant to IIROC Rules imposed on members seeking to trade in CFDs and in accordance with IIROC Acceptable Practices, as amended from time to time;
- (d) all transactions in CFDs with clients resident in the Applicable Jurisdictions be conducted pursuant to the rules and regulations of the QDA and the AMF, as amended from time to time, unless and to the extent there is a conflict between (i) the rules and regulations of the QDA and the AMF, and (ii) the requirements of the securities laws of the Applicable Jurisdictions, the IIROC Rules and IIROC Acceptable Practices, in which case the latter shall prevail;
- (e) prior to a client first entering into a CFD transaction, the Filer has provided to the client the Risk Disclosure Document and has delivered, or has previously delivered, a copy of the Risk Disclosure Document to the Principal Regulator;

- (f) prior to a client's first CFD transaction and as part of the account opening process, the Filer has obtained a written or electronic acknowledgement from the client, as described in paragraph 30, confirming that the client has received, read and understood the Risk Disclosure Document;
- (g) the Filer has furnished to the Principal Regulator the name and principal occupation of its officers and directors, together with either the personal information form and authorization of indirect collection, use and disclosure of personal information provided for in National Instrument 41-101 *General Prospectus Requirements* or the registration information form for an individual provided for in Form 33-109F4 of National Instrument 33-109 *Registration Information Requirements* completed by any officer or director;
- (h) the Filer shall promptly inform the Principal Regulator in writing of any material change affecting the Filer, being any change in the business, activities, operations or financial results or condition of the Filer that may reasonably be perceived by a counterparty to a derivative to be material;
- (i) the Filer shall promptly inform the Principal Regulator in writing if a self-regulatory organization or any other regulatory authority or organization initiates proceedings or renders a judgment related to disciplinary matters against the Filer concerning the conduct of activities with respect to CFDs;
- (j) within 90 days following the end of its financial year, the Filer shall submit to IIROC, and the Principal Regulator upon request, the audited annual financial statements of the Filer; and
- (k) the Requested Relief shall immediately expire upon the earliest of
 - i. four years from the date that this Decision is issued;
 - ii. in respect of an Applicable Jurisdiction or Quebec, the issuance of an order or decision by a court, the Commission in such Applicable Jurisdiction, the AMF or other similar regulatory body that suspends or terminates the ability of the Filer to offer CFDs to clients in such Applicable Jurisdiction or Québec; and
 - iii. with respect to an Applicable Jurisdiction, the coming into force of legislation or a rule by its Commission regarding the distribution of OTC derivatives to investors in such Applicable Jurisdiction;

(the **Interim Period**).

It is further the Decision of the Principal Regulator that the Existing Relief is hereby revoked.

“Christopher Portner”
Commissioner
Ontario Securities Commission

“Janet Leiper”
Commissioner
Ontario Securities Commission

2.1.2 Gran Tierra Energy Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from the prospectus requirement for certain marketing activities not expressly permitted by National Instrument 71-101 The Multijurisdictional Disclosure System so that investment dealers acting as underwriters or selling group members of an issuer are permitted to use standard term sheets and marketing materials and conduct road shows (each as defined under National Instrument 41-101 General Prospectus Requirements) in connection with future offerings under an MJDS base shelf prospectus – NI 71-101 does not contain equivalent provisions to Part 9A of National Instrument 44-102 Shelf Distributions – relief granted, provided that any road shows, standard term sheets and marketing materials would comply with the approval, content, use and other conditions and requirements of Part 9A of NI 44-102, as applicable.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, s. 74(1).

National Instrument 71-101 The Multijurisdictional Disclosure System, s. 11.3.

Citation: Re Gran Tierra Energy Inc., 2016 ABASC 236

August 24, 2016

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

AND

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

AND

**IN THE MATTER OF
GRAN TIERRA ENERGY INC.
(the Filer)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption from the prospectus requirement for certain marketing activities not expressly permitted by National Instrument 71-101 *The Multijurisdictional Disclosure System* (**NI 71-101**) so that investment dealers acting as underwriters (as defined in the Legislation) or selling group members of (a) the Filer, or (b) a selling securityholder of the Filer are permitted to (i) use Standard Term Sheets (as defined below) and Marketing Materials (as defined below), and (ii) conduct Road Shows (as defined below) in connection with future offerings under a Final MJDS Base Prospectus (as defined below) together with applicable supplements as filed by the Filer in each of the provinces of Canada (the **Exemption Sought**).

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

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador; and
- (c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of Nevada.
2. The principal executive offices of the Filer are located in Calgary, Alberta.
3. As of the date hereof, the Filer is a reporting issuer in each of the provinces of Canada and is an “SEC foreign issuer” as defined under National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*. The Filer is not in default of securities legislation in any of the provinces of Canada.
4. The Filer filed a registration statement on Form S-3 with the SEC on August 1, 2016 (the **Registration Statement**). The Registration Statement contains a base prospectus (the **US Base Prospectus**) and will register for sale in the United States, from time to time in one or more offerings and pursuant to one or more prospectus supplements, shares of the Filer’s common stock, shares of the Filer’s preferred stock, debt securities, warrants and subscription receipts.
5. The Filer has also filed a MJDS base prospectus dated August 5, 2016 (the **Final MJDS Base Prospectus**) in each of the provinces of Canada pursuant to NI 71-101 which includes the US Base Prospectus and will qualify the distribution in each province, from time to time in one or more offerings and pursuant to one or more prospectus supplements, of shares of the Filer’s common stock, shares of the Filer’s preferred stock, debt securities, warrants and subscription receipts.
6. National Instrument 44-102 *Shelf Distributions (NI 44-102)* sets out the requirements for a distribution under a shelf prospectus in Canada, including requirements with respect to advertising and marketing activities. In particular, Part 9A of NI 44-102 entitled *Marketing In Connection with Shelf Distributions (Part 9A)* permits the conduct of “Road Shows” and the use of “Standard Term Sheets” and “Marketing Materials” (as such terms are defined in National Instrument 41-101 *General Prospectus Requirements*) following the issuance of a receipt for a final base shelf prospectus provided that the approval, content, use and other applicable conditions and requirements of Part 9A are complied with. NI 71-101 does not contain provisions equivalent to those of Part 9A.
7. In connection with marketing an offering in Canada under the Final MJDS Base Prospectus, investment dealers acting as underwriters or selling group members of the Filer may wish to conduct Road Shows and utilize one or more Standard Term Sheets and Marketing Materials. Any such Road Shows, Standard Term Sheets and Marketing Materials will comply with the approval, content, use and other conditions and requirements of Part 9A, as though they were applicable.
8. Canadian purchasers, if any, of securities offered under the Final MJDS Base Prospectus will only be able to purchase those securities through an investment dealer registered in the province of residence of the purchaser.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted in respect of each future distribution under the Final MJDS Base Prospectus and applicable supplements provided that in respect of such distribution, the conditions and requirements set out in Part 9A of NI 44-102 for Standard Term Sheets, Marketing Materials and Road Shows are complied with in the manner in which those conditions and requirements would apply if the Final MJDS Base Prospectus were a final base shelf prospectus under NI 44-102.

For the Commission:

“Stan Magidson”
Chair

“Stephen Murison”
Vice-Chair

2.1.3 Desjardins Investments Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – fund family relief from the requirement to send a printed information circular to registered holders of the securities of an investment fund – relief subject to a number of conditions, including sending an explanatory document in lieu of the printed information circular and giving securityholders the option to request and obtain at no charge a printed information circular – notice-and-access for investment funds – National Instrument 81-106 Investment Fund Continuous Disclosure.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 12.2(2)(a), 17.1.

September 8, 2016

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

AND

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

AND

IN THE MATTER OF
DESJARDINS INVESTMENTS INC.,
FIERA CAPITAL CORPORATION,
IA CLARINGTON INVESTMENTS INC.,
NATIONAL BANK INVESTMENTS INC.
(the Filers)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filers, on behalf of existing and future investment funds that are or will be managed from time to time by a Filer or by an affiliate or successor of a Filer (the **Funds**), for a decision under the securities legislation of the Jurisdictions (the **Legislation**) granting an exemption from the requirement contained in paragraph 12.2(2)(a) of *Regulation 81-106 respecting Investment Fund Continuous Disclosure* (c. V-1.1, r.42) (**Regulation 81-106**) for a person or company that solicits proxies, by or on behalf of management of a Fund, to send an information circular to each registered holder of securities of a Fund whose proxy is solicited, and instead allow the Funds to send a Notice-and-Access Document (as defined in condition 1 of this decision) using the Notice-and-Access Procedure (as defined in condition 2 of this decision) (the **Exemption Sought**).

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

- (a) the Autorité des marchés financiers is the principal regulator for this application,
- (b) the Filers have provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System* (c. V-1.1, r.1) (**Regulation 11-102**) is intended to be relied upon in the jurisdictions of Canada other than the Jurisdictions; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* (c. V-1.1, r.3), *Regulation 11-102*, *Regulation 51-102 respecting Continuous Disclosure Obligations* (**Regulation 51-102**) (c. V-1.1, r.24) and *Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* (c. V-1.1, r. 29) (**Regulation 54-101**) have the same meaning if used in this decision, unless otherwise defined.

Representations

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

The Filers and the Funds

1. The head office of each Filer is located in Montréal, Québec, except that of IA Clarington Investments Inc., which is located in Québec City, Québec.
2. Each jurisdiction where each Filer is registered and the specific categories of registration for each Filer are provided in Schedule A.
3. The Funds are, or will be, managed by one of the Filers or by an affiliate or successor of a Filer.
4. The Funds are, or will be, investment funds and are, or will be, reporting issuers in one or more of the jurisdictions.
5. None of the Filers, nor any of their existing Funds, is in default of any of the requirements of securities legislation in any jurisdiction.

Meetings of Securityholders of the Funds

6. Pursuant to applicable legislation, each Filer must call a meeting of securityholders of each Fund from time to time to consider and vote on matters requiring securityholder approval.
7. In connection with a meeting, a Fund is required to comply with the requirements in Regulation 81-106 regarding the sending of proxies and information circulars to registered holders of its securities, which include a requirement that each person or company that solicits proxies by or on behalf of management of a Fund send, with the notice of meeting, to each registered holder of securities of a Fund whose proxy is solicited, an information circular, prepared in compliance with the requirements of Form 51-102F5 of Regulation 51-102, to securityholders of record who are entitled to receive notice of the meeting.
8. A Fund is also required to comply with Regulation 51-102 for communicating with registered holders of its securities, and to comply with Regulation 54-101 for communicating with beneficial owners of its securities.

Notice-and-Access Procedure – Corporate Finance Issuers

9. Section 9.1.1 of Regulation 51-102 permits, if certain conditions are met, a reporting issuer that is not an investment fund to use the notice-and-access procedure and send, instead of an information circular, a notice to each registered holder of its securities that contains certain specific information regarding the meeting and an explanation of the notice-and-access procedure.
10. Section 2.7.1 of Regulation 54-101 permits a reporting issuer that is not an investment fund to use a similar procedure to communicate with each beneficial owner of its securities.

Reasons supporting the Exemption Sought

11. A meeting of investment fund securityholders is no different than a meeting of corporate finance securityholders. As a result, if the notice-and access procedure set forth in Regulation 51-102 and in Regulation 54-101 can be used by a corporate finance issuer for a meeting of its securityholders in order to send a notice-and-access document instead of an information circular, it would not be detrimental to the protection of investors to allow an investment fund to also use the Notice-and-Access Procedure to send a Notice-and-Access Document, instead of the information circular.
12. With the Exemption Sought, securityholders will maintain the same access to the same quality of disclosure material currently available. Without limiting the generality of the foregoing:

- a. all securityholders of record entitled to receive an information circular will receive instructions on how to access the information circular and will be able to receive a printed copy, without charge, if they so desire; and
 - b. the conditions to the Exemption Sought mandate that the Notice-and-Access Document will be sent to securityholders sufficiently in advance of a meeting so that if a securityholder wishes to receive a printed copy of the information circular, there will be sufficient time for each Filer, directly or through the Filer's agent, to send the information circular.
13. With the Notice-and-Access Procedure, no securityholder will be deprived of their ability to access the information circular in his/her preferred manner of communication.
 14. In accordance with the Filer's standard of care owed to the relevant Fund pursuant to applicable legislation, a Filer will only use the Notice-and-Access Procedure for a particular meeting where it has concluded it is appropriate and consistent to do so, also taking into account the purpose of the meeting and whether the Fund would obtain a better participation rate by sending the information circular with the other proxy-related materials.
 15. There are significant costs involved in the printing and delivery of the proxy-related materials, including information circulars, to securityholders in the Funds.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that, in respect of each Fund or Filer that solicits proxies by or on behalf of management of a Fund:

1. The registered holders or beneficial owners, as applicable, of securities of the Fund are sent a document that contains the following information and no other information (the **Notice-and-Access Document**):
 - a. the date, time and location of the meeting for which the proxy-related materials are being sent;
 - b. a description of each matter or group of related matters identified in the form of proxy to be voted on unless that information is already included in a Form 54-101F6 or Form 54-101F7 as applicable, that is being sent to the beneficial owner of securities of the Fund under condition (2)(c) of this decision;
 - c. the website addresses for SEDAR and the non-SEDAR website where the proxy-related materials are posted;
 - d. a reminder to review the information circular before voting;
 - e. an explanation of how to obtain a paper copy of the information circular and, if applicable, the financial statements;
 - f. a plain-language explanation of the Notice-and-Access Procedure that includes the following information:
 - i. the estimated date and time by which a request for a paper copy of the information circular and, if applicable, the financial statements of the Fund, is to be received in order for the registered holder or beneficial owner, as applicable, to receive the paper copy in advance of any deadline for the submission of voting instructions for the meeting;
 - ii. an explanation of how the registered holders or the beneficial owners, as applicable, of securities of the Fund are to return voting instructions, including any deadline for return of those instructions;
 - iii. the sections of the information circular where disclosure regarding each matter or group of related matters identified in the Notice-and-Access Document can be found; and
 - iv. a toll-free telephone number the registered holders or the beneficial owners, as applicable, of securities of the Fund can call to get information about the Notice-and-Access Procedure.
2. The Filer, on behalf of the Fund, sends the Notice-and-Access Document in compliance with the following procedure (the **Notice-and-Access Procedure**), in addition to any and all other applicable requirements:

- a. the proxy-related materials are sent a minimum of 30 days before a meeting and a maximum of 50 days before a meeting;
- b. if the Fund sends proxy-related materials:
 - i. directly to a NOBO using the Notice-and-Access Procedure, then the Fund must send the Notice-and-Access Document and, if applicable, any paper copies of information circulars and the financial statements, at least 30 days before the date of the meeting; and
 - ii. indirectly to a beneficial owner using the Notice-and-Access Procedure, then the Fund must send the Notice-and-Access Document and, if applicable, any paper copies of information circulars and the financial statements to the proximate intermediary (A) at least 3 business days before the 30th day before the date of the meeting, in the case of proxy-related materials that are to be sent on by the proximate intermediary by first class mail, courier or the equivalent, or (B) at least 4 business days before the 30th day before the date of the meeting, in the case of proxy-related materials that are to be sent using any other type of prepaid mail;
- c. using the procedures referred to in section 2.9 or 2.12 of Regulation 54-101, as applicable, the beneficial owner of securities of the Fund is sent, by prepaid mail, courier or the equivalent, the Notice-and-Access Document and a Form 54-101F6 or Form 54-101F7, as applicable;
- d. the Filer, on behalf of the Fund, files on SEDAR the notification of meeting and record dates on the same date that it sends the notification of meeting date and record date pursuant to subsection 2.2(1) of Regulation 54-101 (as such time may be abridged);
- e. public electronic access to the information circular and the Notice-and-Access Document is provided on or before the date that the Notice-and-Access Document is sent to registered holders or to beneficial owners, as applicable, of securities of the Fund in the following manner:
 - i. the information circular and the Notice-and-Access Document are filed on SEDAR; and
 - ii. the information circular and the Notice-and-Access Document are posted until the date that is one year from the date that the documents are posted, on a website of the Filer or the Fund;
- f. a toll-free telephone number is provided for use by the registered holders or beneficial owners, as applicable, of securities of the Fund to request a paper copy of the information circular and, if applicable, the financial statements of the Fund, at any time from the date that the Notice-and-Access Document is sent to the registered holders or the beneficial owners, as applicable, up to and including the date of the meeting, including any adjournment;
- g. if a request for a paper copy of the information circular and, if applicable, the financial statements of the Fund, is received at the toll-free telephone number provided in the Notice-and-Access Document or by any other means, a paper copy of any such document requested is sent free of charge to the registered holder or beneficial owner, as applicable, at the address specified in the request in the following manner:
 - i. in the case of a request received prior to the date of the meeting, within 3 business days after receiving the request, by first class mail, courier or the equivalent; and
 - ii. in the case of a request received on or after the date of the meeting, and within one year of the date the information circular is filed on SEDAR, within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent;
- h. a Notice-and-Access Document is only accompanied by:
 - i. a form of proxy;
 - ii. if applicable, the financial statements of the Fund to be presented at the meeting; and
 - iii. if the meeting is to approve a reorganization of the Fund with a mutual fund, as contemplated by paragraph 5.1(1)(f) of *Regulation 81-102 respecting Investment Funds*, the Fund Facts document for the continuing mutual fund;
- i. a Notice-and-Access Document may only be combined in a single document with a form of proxy;

- j. if the Filer, directly or through the Filer's agent, receives a request for a copy of the information circular and if applicable, the financial statements of the Fund, using the toll-free telephone number referred to Notice-and-Access Document or by any other means, it must not do any of the following:
 - i. ask for any information about the registered holder or beneficial owner, other than the name and address to which the information circular and, if applicable, the financial statements of the Fund are to be sent; and
 - ii. disclose or use the name or address of the registered holder or beneficial owner for any purpose other than sending the information circular and, if applicable, the financial statements of the Fund;
- k. the Filer, directly or through the Filer's agent, must not collect information that can be used to identify a person or company who has accessed the website address to which it posts the proxy-related materials pursuant to condition (2)(e)(ii) of this decision.
- l. in addition to the proxy-related materials posted on a website in the manner referred to in condition (2)(e)(ii) of this decision, the Filer must also post on the website the following documents:
 - i. any disclosure document regarding the meeting that the Filer, on behalf of the Fund, has sent to registered holders or beneficial owners of securities of the Fund; and
 - ii. any written communications the Filer, on behalf of the Fund, has made available to the public regarding each matter or group of matters to be voted on at the meeting, whether or not they were sent to registered holders or beneficial owners of securities of the Fund;
- m. materials that are posted on a website pursuant to condition (2)(e)(ii) of this decision must be posted in a manner and be in a format that permit an individual with a reasonable level of computer skill and knowledge to do all of the following easily:
 - i. access, read and search the documents on the website; and
 - ii. download and print the documents;
- n. despite subsection 2.1(b) of Regulation 54-101, if the Fund relies upon this Decision, it must set a record date for notice that is no fewer than 40 days before the date of the meeting;
- o. in addition to section 2.20 of Regulation 54-101, the Fund may only abridge the time prescribed in subsection 2.1(b), 2.2(1) or 2.5(1) of Regulation 54-101 if the Fund fixes the record date for notice to be at least 40 days before the date of the meeting and sends the notification of meeting and record dates at least 3 business days before the record date for notice;
- p. the notification of meeting date and record date sent pursuant to subsection 2.2(1)(b) of Regulation 54-101 shall specify that the Fund is sending proxy-related materials to registered holders or beneficial owners, as applicable, of securities of the Fund using the Notice-and-Access Procedure pursuant to the terms of this Decision;
- q. the Filer, on behalf of the Fund, provides disclosure in the information circular to the effect that the Fund is sending proxy-related materials to registered holders or beneficial owners, as applicable, of securities of the Fund using the Notice-and-Access Procedure pursuant to the terms of this Decision; and
- r. the Filer pays for delivery of the information circular and, if applicable, the financial statements of the Fund, to registered holders or to beneficial owners, as applicable, of securities of the Fund if a copy of such material is requested following receipt of the Notice-and-Access Document.

The Exemption Sought terminates on the coming into force of any legislation or regulation allowing an investment fund to use a notice-and-access procedure.

"Hugo Lacroix"
Senior Director, Investment Funds

Schedule A

Filer Registration Information

	Name of Investment Fund Manager (Filer)	Category of Registration	Jurisdiction
1.	Desjardins Investments Inc.	Investment Funds Manager	Newfoundland and Labrador, Ontario and Québec
2.	Fiera Capital Corporation	Investment Fund Manager Portfolio Manager Exempt Market Dealer Derivatives Portfolio Manager Commodity Trading Manager Adviser, pursuant to the <i>Commodity Futures Act</i> (Manitoba)	Newfoundland and Labrador, Ontario and Québec All jurisdictions of Canada Québec Ontario Manitoba
3.	IA Clarington Investments Inc.	Investment Fund Manager Portfolio Manager	Newfoundland and Labrador, Ontario and Québec All provinces of Canada
4.	National Bank Investments Inc.	Investment Fund Manager Mutual Fund Dealer	Newfoundland and Labrador, Ontario and Québec All jurisdictions of Canada

2.1.4 Manulife Asset Management Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – fund family relief from the requirement to send a printed information circular to registered holders of the securities of an investment fund - relief subject to a number of conditions, including sending an explanatory document in lieu of the printed information circular and giving securityholders the option to request and obtain at no charge a printed information circular – notice-and-access for investment funds – National Instrument 81-106 Investment Fund Continuous Disclosure.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, s. 12.2(2)(a).

September 12, 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
MANULIFE ASSET MANAGEMENT LIMITED
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of existing and future investment funds that are or will be managed from time to time by the Filer or by an affiliate or successor of the Filer (the **Funds**), for a decision under the securities legislation of the Jurisdiction (the **Legislation**) granting an exemption from the requirement contained in paragraph 12.2(2)(a) of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) for a person or company that solicits proxies, by or on behalf of management of a Fund, to send an information circular to each registered holder of securities of a Fund whose proxy is solicited, and instead allow the Funds to send a Notice-and-Access Document (as defined in condition 1 of this decision) using the Notice-and-Access Procedure (as defined in condition 2 of this decision) (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 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, Manitoba, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Nunavut, Yukon and Northwest Territories (collectively, with the Jurisdiction, the Jurisdictions).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (NI 54-101) 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:

The Filer and the Funds

1. The head office of the Filer is located in Toronto, Ontario.
2. The Filer is registered in the categories of portfolio manager in each Jurisdiction, investment fund manager in Ontario, Quebec and Newfoundland and Labrador, derivatives portfolio manager in Quebec and commodity trading manager in Ontario.
3. The Funds are, or will be, managed by the Filer or by an affiliate or successor of the Filer.
4. The Funds are, or will be, investment funds and are, or will be, reporting issuers in one or more of the Jurisdictions.
5. Neither the Filer, nor any of the existing Funds is in default of any of the requirements of securities legislation in any of the Jurisdictions.

Meetings of Securityholders of the Funds

6. Pursuant to applicable legislation, the Filer must call a meeting of securityholders of each Fund from time to time to consider and vote on matters requiring securityholder approval.
7. In connection with a meeting, a Fund is required to comply with the requirements in NI 81-106 regarding the sending of proxies and information circulars to registered holders of its securities, which include a requirement that each person or company that solicits proxies by or on behalf of management of a Fund send, with the notice of meeting, to each registered holder of securities of a Fund whose proxy is solicited, an information circular, prepared in compliance with the requirements of Form 51-102F5 of NI 51-102, to securityholders of record who are entitled to receive notice of the meeting.
8. A Fund is also required to comply with NI 51-102 for communicating with registered holders of its securities, and to comply with NI 54-101 for communicating with beneficial owners of its securities.

Notice-and-Access Procedure – Corporate Finance Issuers

9. Section 9.1.1 of NI 51-102 permits, if certain conditions are met, a reporting issuer that is not an investment fund to use the notice-and-access procedure and send, instead of an information circular, a notice to each registered holder of its securities that contains certain specific information regarding the meeting and an explanation of the notice-and-access procedure.
10. Section 2.7.1 of NI 54-101 permits a reporting issuer that is not an investment fund to use a similar procedure to communicate with each beneficial owner of its securities.

Reasons supporting the Exemption Sought

11. A meeting of investment fund securityholders is no different than a meeting of corporate finance securityholders. As a result, if the notice-and access procedure set forth in NI 51-102 and in NI 54-101 can be used by a corporate finance issuer for a meeting of its securityholders in order to send a notice-and-access document instead of an information circular, it would not be detrimental to the protection of investors to allow an investment fund to also use the Notice-and-Access Procedure to send a Notice-and-Access Document, instead of the information circular.
12. With the Exemption Sought, securityholders will maintain the same access to the same quality of disclosure material currently available. Without limiting the generality of the foregoing:
 - (a) all securityholders of record entitled to receive an information circular will receive instructions on how to access the information circular and will be able to receive a printed copy, without charge, if they so desire; and
 - (b) the conditions to the Exemption Sought mandate that the Notice-and-Access Document will be sent to securityholders sufficiently in advance of a meeting so that if a securityholder wishes to receive a printed copy of the information circular, there will be sufficient time for the Filer, directly or through the Filer's agent, to send the information circular.

Decisions, Orders and Rulings

13. With the Notice-and-Access Procedure, no securityholder will be deprived of their ability to access the information circular in his/her preferred manner of communication.
14. In accordance with the Filer's standard of care owed to the relevant Fund pursuant to applicable legislation, the Filer will only use the Notice-and-Access Procedure for a particular meeting where it has concluded it is appropriate and consistent to do so, also taking into account the purpose of the meeting and whether the Fund would obtain a better participation rate by sending the information circular with the other proxy-related materials.
15. There are significant costs involved in the printing and delivery of the proxy-related materials, including information circulars, to securityholders in the Funds.

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 Decision Makers under the Legislation is that the Exemption Sought is granted provided that, in respect of each Fund or the Filer soliciting proxies by or on behalf of management of a Fund:

1. The registered holders or beneficial owners, as applicable, of securities of the Fund are sent a document that contains the following information and no other information (the **Notice-and-Access Document**):
 - (a) the date, time and location of the meeting for which the proxy-related materials are being sent;
 - (b) a description of each matter or group of related matters identified in the form of proxy to be voted on unless that information is already included in a Form 54-101F6 or Form 54-101F7 as applicable, that is being sent to the beneficial owner of securities of the Fund under condition (2)(c) of this decision;
 - (c) the website addresses for SEDAR and the non-SEDAR website where the proxy-related materials are posted;
 - (d) a reminder to review the information circular before voting;
 - (e) an explanation of how to obtain a paper copy of the information circular and, if applicable, the financial statements;
 - (f) a plain-language explanation of the Notice-and-Access Procedure that includes the following information:
 - (i) the estimated date and time by which a request for a paper copy of the information circular and, if applicable, the financial statements of the Fund, is to be received in order for the registered holder or beneficial owner, as applicable, to receive the paper copy in advance of any deadline for the submission of voting instructions for the meeting;
 - (ii) an explanation of how the registered holders or the beneficial owners, as applicable, of securities of the Fund are to return voting instructions, including any deadline for return of those instructions;
 - (iii) the sections of the information circular where disclosure regarding each matter or group of related matters identified in the Notice-and-Access Document can be found; and
 - (iv) a toll-free telephone number the registered holders or the beneficial owners, as applicable, of securities of the Fund can call to get information about the Notice-and-Access Procedure.
2. The Filer, on behalf of the Fund, sends the Notice-and-Access Document in compliance with the following procedure (the **Notice-and-Access Procedure**), in addition to any and all other applicable requirements:
 - (a) the proxy-related materials are sent a minimum of 30 days before a meeting and a maximum of 50 days before a meeting;
 - (b) if the Fund sends proxy-related materials:
 - (i) directly to a NOBO using the Notice-and-Access Procedure, then the Fund must send the Notice-and-Access Document and, if applicable, any paper copies of information circulars and the financial statements, at least 30 days before the date of the meeting; and

- (ii) indirectly to a beneficial owner using the Notice-and-Access Procedure, then the Fund must send the Notice-and-Access Document and, if applicable, any paper copies of information circulars and the financial statements to the proximate intermediary (A) at least 3 business days before the 30th day before the date of the meeting, in the case of proxy-related materials that are to be sent on by the proximate intermediary by first class mail, courier or the equivalent, or (B) at least 4 business days before the 30th day before the date of the meeting, in the case of proxy-related materials that are to be sent using any other type of prepaid mail;
- (c) using the procedures referred to in section 2.9 or 2.12 of NI 54-101, as applicable, the beneficial owner of securities of the Fund is sent, by prepaid mail, courier or the equivalent, the Notice-and-Access Document and a Form 54-101F6 or Form 54-101F7, as applicable;
- (d) the Filer, on behalf of the Fund, files on SEDAR the notification of meeting and record dates on the same date that it sends the notification of meeting date and record date pursuant to subsection 2.2(1) of NI 54-101 (as such time may be abridged);
- (e) public electronic access to the information circular and the Notice-and-Access Document is provided on or before the date that the Notice-and-Access Document is sent to registered holders or to beneficial owners, as applicable, of securities of the Fund in the following manner:
 - (i) the information circular and the Notice-and-Access Document are filed on SEDAR; and
 - (ii) the information circular and the Notice-and-Access Document are posted until the date that is one year from the date that the documents are posted, on a website of the Filer or the Fund;
- (f) a toll-free telephone number is provided for use by the registered holders or beneficial owners, as applicable, of securities of the Fund to request a paper copy of the information circular and, if applicable, the financial statements of the Fund, at any time from the date that the Notice-and-Access Document is sent to the registered holders or the beneficial owners, as applicable, up to and including the date of the meeting, including any adjournment;
- (g) if a request for a paper copy of the information circular and, if applicable, the financial statements of the Fund, is received at the toll-free telephone number provided in the Notice-and-Access Document or by any other means, a paper copy of any such document requested is sent free of charge to the registered holder or beneficial owner, as applicable, at the address specified in the request in the following manner:
 - (i) in the case of a request received prior to the date of the meeting, within 3 business days after receiving the request, by first class mail, courier or the equivalent; and
 - (ii) in the case of a request received on or after the date of the meeting, and within one year of the date the information circular is filed on SEDAR, within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent;
- (h) a Notice-and-Access Document is only accompanied by:
 - (i) a form of proxy;
 - (ii) if applicable, the financial statements of the Fund to be presented at the meeting; and
 - (iii) if the meeting is to approve a reorganization of the Fund with a mutual fund, as contemplated by paragraph 5.1(1)(f) of NI 81-102 *Investment Funds*, the Fund Facts document for the continuing mutual fund;
- (i) a Notice-and-Access Document may only be combined in a single document with a form of proxy;
- (j) if the Filer, directly or through the Filer's agent, receives a request for a copy of the information circular and if applicable, the financial statements of the Fund, using the toll-free telephone number referred to Notice-and-Access Document or by any other means, it must not do any of the following:
 - (i) ask for any information about the registered holder or beneficial owner, other than the name and address to which the information circular and, if applicable, the financial statements of the Fund are to be sent; and

- (ii) disclose or use the name or address of the registered holder or beneficial owner for any purpose other than sending the information circular and, if applicable, the financial statements of the Fund;
- (k) the Filer, directly or through the Filer's agent, must not collect information that can be used to identify a person or company who has accessed the website address to which it posts the proxy-related materials pursuant to condition (2)(e)(ii) of this decision.
- (l) in addition to the proxy-related materials posted on a website in the manner referred to in condition (2)(e)(ii) of this decision, the Filer must also post on the website the following documents:
 - (i) any disclosure document regarding the meeting that the Filer, on behalf of the Fund, has sent to registered holders or beneficial owners of securities of the Fund; and
 - (ii) any written communications the Filer, on behalf of the Fund, has made available to the public regarding each matter or group of matters to be voted on at the meeting, whether or not they were sent to registered holders or beneficial owners of securities of the Fund;
- (m) materials that are posted on a website pursuant to condition (2)(e)(ii) of this decision must be posted in a manner and be in a format that permit an individual with a reasonable level of computer skill and knowledge to do all of the following easily:
 - (i) access, read and search the documents on the website; and
 - (ii) download and print the documents;
- (n) despite subsection 2.1(b) of NI 54-101, if the Fund relies upon this Decision, it must set a record date for notice that is no fewer than 40 days before the date of the meeting;
- (o) in addition to section 2.20 of NI 54-101, the Fund may only abridge the time prescribed in subsection 2.1(b), 2.2(1) or 2.5(1) of NI 54-101 if the Fund fixes the record date for notice to be at least 40 days before the date of the meeting and sends the notification of meeting and record dates at least 3 business days before the record date for notice;
- (p) the notification of meeting date and record date sent pursuant to subsection 2.2(1)(b) of NI 54-101 shall specify that the Fund is sending proxy-related materials to registered holders or beneficial owners, as applicable, of securities of the Fund using the Notice-and-Access Procedure pursuant to the terms of this Decision;
- (q) the Filer, on behalf of the Fund, provides disclosure in the information circular to the effect that the Fund is sending proxy-related materials to registered holders or beneficial owners, as applicable, of securities of the Fund using the Notice-and-Access Procedure pursuant to the terms of this Decision; and
- (r) the Filer pays for delivery of the information circular and, if applicable, the financial statements of the Fund, to registered holders or to beneficial owners, as applicable, of securities of the Fund if a copy of such material is requested following receipt of the Notice-and-Access Document.

The Exemption Sought terminates on the coming into force of any legislation or regulation allowing an investment fund to use a notice-and-access procedure.

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

2.1.5 Rexel S.A.

Headnote

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

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.16.

National Instrument 45-102 Resale of Securities, s. 2.14.

National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.24.

August 17, 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
REXEL S.A
(the “Filer”)

DECISION

Background

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

1. an exemption from the prospectus requirements of the Legislation (the “**Prospectus Relief**”) so that such requirements do not apply to
 - (a) trades in:
 - (i) units (the “**Principal Classic Units**”) of Rexel Actionnariat Classique International (the “**Principal Classic FCPE**”), which is a *fonds commun de placement d'entreprise* or “**FCPE**,” a form of collective shareholding vehicle commonly used in France for the conservation of shares held by employee-investors;
 - (ii) units (together with the Principal Classic Units, the “**Classic Units**”) of a temporary FCPE named Rexel Actionnariat Classique International Relais 2016 (the “**Temporary Classic FCPE**”), which will merge with the Principal Classic FCPE following the Employee Share Offering (as defined below), such transaction being referred to as the “**Merger**”, as further described below (the term “**Classic FCPE**” used herein means, prior to the Merger, the Temporary Classic FCPE, and following the Merger, the Principal Classic FCPE); and

- (iii) units (together with the Classic Units, the “**Units**”) of the Transfer FCPE (as defined below);
made pursuant to the Employee Share Offering (as defined below) to or with Employees (as defined below) resident in the Jurisdiction or in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador and Northwest Territories (collectively, the “**Canadian Employees**,” and Canadian Employees who subscribe for Units, the “**Canadian Participants**”); and
 - (b) trades of ordinary shares of the Filer (the “**Shares**”) by the Classic FCPE or Transfer FCPE to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants;
2. an exemption from the dealer registration requirements of the Legislation (the “**Registration Relief**”) so that such requirements do not apply to the Rexel Group (as defined below and which, for clarity, includes the Filer and the Canadian Affiliates (as defined below)), the Temporary Classic FCPE, the Transfer FCPE, the Principal Classic FCPE and BNP Paribas Asset Management SAS (the “**Management Company**”) in respect of:
- (a) trades in Units made pursuant to the Employee Share Offering to or with Canadian Employees; and
 - (b) trades in Shares by the Classic FCPE or Transfer FCPE to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants.
- (the Prospectus Relief and the Registration Relief, collectively, the “**Offering Relief**”)

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

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador and Northwest Territories (together with the Jurisdiction, the “**Jurisdictions**”).

Interpretation

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

Representations

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

1. The Filer is a corporation formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the other Jurisdictions. The head office of the Filer is located in France and the Shares are listed on Euronext under the symbol “RXL”. The Filer is not in default under the Legislation or the securities legislation of the other Jurisdictions.
2. The Filer carries on business in Canada through certain affiliated companies that employ Canadian Employees, including Rexel North America Inc. and Rexel Canada Electrical Inc. (collectively, the “**Canadian Affiliates**,” and together with the Filer and other affiliates of the Filer, the “**Rexel Group**”). Each of the Canadian Affiliates is a direct or indirect controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the other Jurisdictions. None of the Canadian Affiliates is in default under the Legislation or the securities legislation of the other Jurisdictions.
3. The Filer has established a global employee share offering for employees of the Rexel Group (the “**Employee Share Offering**”). As of the date hereof and after giving effect to the Employee Share Offering, Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Classic FCPE on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.
4. The Employee Share Offering is comprised of one subscription option, being an offering of Shares to be subscribed through the Temporary Classic FCPE, which Temporary Classic FCPE will be merged with the Principal Classic FCPE after completion of the Employee Share Offering, subject to the approval of the supervisory boards of the FCPEs and the French AMF (defined below) (the “**Classic Plan**”).

5. Only persons who are employees of a member of the Rexel Group during the subscription period for the Employee Share Offering and who meet other employment criteria (the “**Employees**”) will be permitted to participate in the Employee Share Offering.
6. The Principal Classic FCPE and the Temporary Classic FCPE were established, and the Transfer FCPE (if created) will be established, for the purposes of implementing employee share offerings and plans of the Filer. There is no current intention for these FCPEs to become reporting issuers under the Legislation or the securities legislation of the other Jurisdictions.
7. FCPEs are a form of collective shareholding vehicle commonly used in France for the conservation of shares held by employee-investors. The Principal Classic FCPE and the Temporary Classic FCPE have been registered with the French Autorité des marchés financiers (the “**French AMF**”). The Transfer FCPE (if created) will be registered with the French AMF. Only Employees will be allowed to hold Units issued pursuant to the Employee Share Offering.
8. All Classic Units acquired in the Employee Share Offering by Canadian Participants will be subject to a hold period of approximately five years (the “**Lock-Up Period**”), subject to certain exceptions prescribed by French law and adopted under the Classic Plan in Canada (such as a release on death or termination of employment).
9. Under the Classic Plan, the subscription price will be the Canadian dollar equivalent of the average of the opening price of the Shares on Euronext (expressed in Euros) on the 20 trading days preceding the date of the fixing of the subscription price by the Board of Directors of the Filer or its delegate, less a 20% discount.
10. The Temporary Classic FCPE will apply the cash received from the Canadian Participants to subscribe for Shares from the Filer.
11. Initially, the Shares subscribed for will be held in the Temporary Classic FCPE and the Canadian Participants will receive Units in the Temporary Classic FCPE. Following the completion of the Employee Share Offering, the Temporary Classic FCPE will be merged with the Principal Classic FCPE (subject to the approval of the supervisory board of the FCPEs and the French AMF). Units of the Temporary Classic FCPE held by Canadian Participants will be replaced with Units of the Principal Classic FCPE on a pro rata basis and the Shares subscribed for under the Employee Share Offering will be held in the Principal Classic FCPE (such transaction being referred to as the “**Merger**”).
12. Canadian Participants will receive Class C Units (“**C Units**”). Any dividends paid to the Classic FCPE in respect of Shares represented by C Units will be used to purchase additional Shares, in which case new C Units (or fractions thereof) of the Classic FCPE will be issued to such Canadian Participants.
13. At the end of the Lock-Up Period a Canadian Participant may (i) request the redemption of his or her Units in the Classic FCPE in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares, or (ii) continue to hold his or her Units in the Classic FCPE and request the redemption of those Units at a later date in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares.
14. In the event of an early unwind resulting from a Canadian Participant exercising one of the exceptions to the Lock-Up Period and meeting the applicable criteria, the Canadian Participant may request the redemption of Units in the Classic FCPE in consideration for a cash payment equal to the then market value of the Shares held by the Classic FCPE corresponding to such Units.
15. In addition, subject to the approval of the Board of Directors of the Filer, the Filer will grant the Canadian Participant the right to receive at the end of the Lock-Up Period, free of charge: (i) two Shares for each of the first whole 30 Shares subscribed for by the Canadian Participant, and (ii) one Share for each additional whole Share from the 31st whole Share that is subscribed for, but subject to the limitation that no further free Shares will be granted to a Canadian Participant to the extent that the Canadian Participant’s total personal investment has exceeded €1600 (collectively, the “**Matching Contribution**”). The right to receive the Matching Contribution is subject to a continued employment condition (with certain exceptions) until the end of the Lock-Up Period; if this condition is satisfied, Shares granted under the Matching Contribution shall be delivered to the Canadian Participant or to the Principal Classic FCPE or another FCPE with similar attributes as the Principal Classic FCPE (the “**Transfer FCPE**”) on behalf of the Canadian Participant.
16. An FCPE is a limited liability entity under French law. The Classic FCPE’s portfolio and Transfer FCPE’s portfolio will consist almost entirely of Shares of the Filer and may, from time to time, also include cash in respect of dividends paid on the Shares which will be reinvested in Shares for holders of C Units, and cash or cash equivalents pending investments in Shares and for the purposes of Unit redemptions.

Decisions, Orders and Rulings

17. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF as an investment manager and is required to and will comply with the rules of the French AMF. To the best of the Filer's knowledge, the Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the other Jurisdictions.
18. The Management Company's portfolio management activities in connection with the Employee Share Offering and the Classic FCPE and Transfer FCPE are limited to purchasing Shares from the Filer, selling such Shares as necessary in order to fund redemption requests, and investing available cash in cash equivalents.
19. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the Classic FCPE and Transfer FCPE. The Management Company's activities do not affect the underlying value of the Shares. To the best of the Filer's knowledge, the Management Company is not in default of the Legislation or the securities legislation of the other Jurisdictions.
20. Shares issued in the Employee Share Offering will be deposited in the Principal Classic FCPE, the Transfer FCPE and/or the Temporary Classic FCPE, as applicable, through BNP Paribas Securities Services SCA (the "**Depository**"), a large French commercial bank subject to French banking legislation. The Depository carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow each of the Principal Classic FCPE, the Transfer FCPE and the Temporary Classic FCPE to exercise the rights relating to the securities held in its respective portfolio.
21. All management charges relating to the Classic FCPE will be paid from the assets of the Classic FCPE or by the Filer, as provided in the regulations of the Classic FCPE.
22. Participation in the Employee Share Offering is voluntary, and the Canadian Employees will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.
23. The total amount invested by a Canadian Employee in the Employee Share Offering cannot exceed 25% of his or her gross annual compensation.
24. None of the Filer, the Management Company, the Canadian Affiliates or any of their directors, officers, employees, agents or representatives will provide investment advice to the Canadian Employees with respect to an investment in the Shares or the Units.
25. The Shares are not currently listed for trading on any stock exchange in Canada and the Filer has no intention to have the Shares so listed. As there is no market for the Shares in Canada, and none is expected to develop, any first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with the rules and regulations of, a foreign stock exchange outside of Canada.
26. Canadian Employees will have access through a website to the information package on the Employee Share Offering in the French or English language, according to their preference, which will include a summary of the terms of the Employee Share Offering and a description of Canadian income tax consequences of subscribing to and holding the Units and redeeming Units at the end of the Lock-Up Period.
27. Upon request, Canadian Employees may receive copies of the Filer's French *Document de Référence* filed with the French AMF in respect of the Shares and a copy of the rules of the Temporary Classic FCPE, the Transfer FCPE and the Principal Classic FCPE (which are analogous to company by-laws). The Canadian Employees will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares.
28. Canadian Participants will receive an initial statement of their holdings under the Classic Plan, together with an updated statement at least once per year.
29. There are approximately 2,120 Employees resident in Canada, with the greatest number of Employees resident in Ontario (approximately 825 Employees), and the remainder in the other Jurisdictions who represent, in the aggregate, less than 8% of the number of employees in the Rexel Group worldwide.

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.

Decisions, Orders and Rulings

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

- (a) the issuer of the security
 - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
 - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
- (b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada
 - (i) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and
 - (ii) did not represent in number more than 10% of the total number of owners, directly or indirectly, of securities of the class or series; and
- (c) the first trade is made
 - (i) through an exchange, or a market, outside of Canada, or
 - (ii) to a person or company outside of Canada.

“Judith Robertson”
Commissioner
Ontario Securities Commission

“William “Bill” Furlong”
Commissioner
Ontario Securities Commission

2.1.6 Redwood Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval for change of control of manager under s. 5.5(1)(a.1) of National Instrument 81-102 Investment Funds – transaction will not result in a change in the Manager of the Redwood Funds, or to amalgamate or merge the Manager with any other entity, for the foreseeable future.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(a.1), 5.7(1)(a), 19.1

September 22, 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
REDWOOD ASSET MANAGEMENT INC.
(the Manager or Redwood)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager and Purpose Investments Inc. (**Purpose**, and together with the Manager, the **Filers**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval under section 5.5(1)(a.1) of National Instrument 81-102 *Investment Funds (NI 81-102)* to the change of control of the Manager (the **Approval Sought**).

Under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (for a passport application):

- (a) the Ontario Securities Commission (**OSC**) is 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 British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, the Northwest Territories 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 Filers:

Redwood Investment Management Inc.

1. Redwood is a corporation existing under the *Business Corporations Act* (Ontario) with its head office located at 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1.

Decisions, Orders and Rulings

2. Redwood is registered as an investment fund manager in Ontario, Québec and Newfoundland and Labrador, as an adviser in the category of portfolio manager in Ontario and as a dealer in the category of exempt market dealer in Alberta, British Columbia, Ontario and Québec.
3. Redwood is the manager and portfolio adviser (within the meaning of such terms in NI 81-102) of each of the funds listed in Schedule A (the "**Redwood Funds**"). The Redwood Funds are either investment trusts or a class of shares of Ark Mutual Funds Ltd. or Connected Wealth Funds Inc. Redwood is also the trustee of the Redwood Funds that are organized as investment trusts.
4. The Redwood Funds are reporting issuers in the Jurisdictions noted on Schedule A.
5. Redwood is not in default of the securities legislation of any jurisdiction in Canada.

Purpose Investments Inc.

6. Purpose is a corporation existing under the *Business Corporations Act* (Ontario) with its head office located at 130 Adelaide Street West, Suite 1700, Toronto, Ontario, M5H 3P5.
7. Purpose is registered as an investment fund manager in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan; as an adviser in the category of portfolio manager in British Columbia and Ontario and as a dealer in the category of exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan.
8. Purpose acts as the manager and portfolio adviser (within the meaning of such terms in NI 81-102) of a group of exchange traded funds, mutual funds and closed-end funds (the **Purpose Funds**).
9. Purpose is not in default of the securities legislation of any jurisdiction in Canada.

Proposed Acquisition

10. Certain shareholders of Redwood, which prior to closing of the Proposed Acquisition (as defined below) hold all of the issued and outstanding shares of Redwood, and Purpose have entered into a share purchase agreement dated July 22, 2016 (the **Share Purchase Agreement**).
11. Pursuant to the Share Purchase Agreement, Purpose has agreed to acquire all of the issued and outstanding shares of the Manager (the **Proposed Acquisition**). The completion of the Proposed Acquisition is subject to the satisfaction of closing conditions, which include obtaining all required regulatory approvals.
12. If the Proposed Acquisition is completed as contemplated, Purpose will become the sole shareholder and will own 100% of the issued and outstanding shares of the Manager, such that the Manager will become a wholly-owned subsidiary of Purpose.
13. On July 25, 2016, the Filers issued a press release announcing the Proposed Acquisition, subject to receipt of all required regulatory approvals.
14. On July 25, 2016, notice was sent to each of the securityholders of the Redwood Funds informing such securityholders of the Proposed Acquisition, as required by section 5.8(1)(a) of NI 81-102.
15. A notice regarding the Proposed Acquisition was delivered to the Compliance & Registrant Regulation Branch of the OSC on July 29, 2016 pursuant to section 11.9 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**).
16. Subject to obtaining the requisite regulatory approvals, including the Approval Sought, the parties expect the Proposed Acquisition to be completed on or about September 26, 2016.

Effect of the Proposed Acquisition on the Manager and the Redwood Funds

17. Redwood will continue to act as the investment fund manager of the Redwood Funds as a discrete, separate and distinct legal entity in materially the same manner as it has conducted such activities immediately prior to completion of the Proposed Acquisition.

Decisions, Orders and Rulings

18. It is expected that the directors and officers of each of Redwood, Ark Mutual Funds Ltd. and Connected Wealth Funds Inc. will be comprised of individuals all of whom are currently directors and officers of Redwood, Ark Mutual Funds Ltd. and Connected Wealth Funds Inc. In addition, Som Seif and Scott Bartholomew, both of whom are directors and officers of Purpose may become a director and/or officer of Redwood.
19. Both the Manager and Purpose have accumulated a great deal of investment management and operational expertise. The Manager and Purpose do not foresee that the Proposed Acquisition will give rise to material conflicts of interest.
20. Completion of the Proposed Acquisition is not expected to result in any material changes to the business, operations or affairs of Redwood, the Redwood Funds or the securityholders of the Redwood Funds. In particular, Purpose confirms that:
 - (a) the completion of the Proposed Acquisition is not expected to result in any changes to:
 - (i) how Redwood operates or manages the Redwood Funds;
 - (ii) the investment objectives, investment strategies and valuation procedures of the Redwood Funds;
 - (iii) the fees or expenses that are charged to the Redwood Funds;
 - (iv) the custodian, trustee (if applicable) or any existing advisors or sub-advisors to the Redwood Funds; or
 - (v) adversely affect Redwood's financial position or its ability to fulfill its regulatory obligations;
 - (b) there is no current intention to amalgamate or merge Redwood with another investment fund manager or to change the manager of the Redwood Funds within the foreseeable future; and
 - (c) there is no current intention to change the management or supervisory personnel of Redwood other than as set forth in paragraph 18.
21. There is no intention to change the Redwood "brand".
22. On the completion of the Proposed Acquisition, the members of the independent review committee (the **IRC**) of the Redwood Funds will cease to be IRC members by operation of section 3.10(1)(c) of National Instrument 81-107 *Independent Review Committee for Investment Funds*. Immediately following the completion of the Proposed Acquisition, the IRC will be reconstituted with the members of the independent review committee of the funds managed by Purpose each of which is independent of Redwood.
23. Neither Purpose nor Redwood expects the change of control of the Manager to have any negative consequences on the ability of the Manager to satisfy its obligations to the Redwood Funds or to adversely affect the operation and administration of the Redwood Funds.

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.

"Vera Nunes"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

SCHEDULE A
REDWOOD FUNDS

Name	Reporting Jurisdictions
<u>REDWOOD FUNDS</u>	
Redwood Emerging Markets Dividend Fund	All Provinces
Redwood Global Total Return Bond Portfolio (formerly Redwood Global Bond Portfolio)	All Provinces
Redwood Unconstrained Bond Class (formerly, Redwood Flexible Bond Class)	All Provinces
Redwood Diversified Equity Fund	All Provinces and Territories
Redwood Floating Rate Preferred Fund (formerly, Redwood Diversified Income Fund)	All Provinces and Territories
Redwood Global Small Cap Fund	All Provinces and Territories
<u>REDWOOD CONNECTED WEALTH FUNDS</u>	
Connected Wealth Tactical Class ⁽¹⁾	All Provinces
Connected Wealth Core Income Class ⁽¹⁾	All Provinces
<u>ARK MUTUAL FUNDS</u>	
Trapeze Value Class (formerly, Ark Aston Hill Opportunities Class) ⁽²⁾	All Provinces
Redwood Income Growth Class ⁽²⁾	All Provinces
Redwood Equity Growth Class ⁽²⁾	All Provinces
Redwood Unconstrained Bond Fund ⁽²⁾	All Provinces
Redwood Pension Class (formerly, Redwood Energy Income Class) ⁽²⁾	All Provinces
First Avenue Dividend Growers Class (formerly, Redwood Global Innovations Class) ⁽²⁾	All Provinces
Redwood Global Equity Strategy Class (formerly, Redwood Global Equity Class) ⁽²⁾	All Provinces

Notes:

- (1) is a class of shares of Connected Wealth Funds Inc., a mutual fund corporation established under the laws of the Province of Ontario.
- (2) is a class of shares of Ark Mutual Funds Ltd., a mutual fund corporation established under the laws of the Province of Ontario.

2.1.7 MarketAxess Canada Limited – s. 15.1 of NI 21-101 Marketplace Operation

Headnote

National Policy 11-203 Process for Exemptive Relief Application in Multiple Jurisdictions – relief from section 6.3 of National Instrument 21-101 Marketplace Operation to permit MarketAxess Canada Limited to trade fixed income securities not listed in section 6.3 of NI 21-101 under certain terms and conditions in Alberta.

Applicable Legislative Provisions

National Instrument 21-101 Marketplace Operation, ss. 6.3, 15.1.
National Policy 11-203 Process for Exemptive Relief in Multiple Jurisdictions, s. 3.6(10).
Multilateral Instrument 11-102 Passport System, s. 4.4(c).
Securities Act (Ontario), R.S.O 1990, c. S.5, s. 144(1).

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE JURISDICTION)**

AND

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

AND

**IN THE MATTER OF
MARKETAXESS CANADA LIMITED
(THE APPLICANT)**

DECISION

(s. 15.1 of National Instrument 21-101 Marketplace Operation)

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Applicant for a decision under securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption pursuant to section 15.1 of National Instrument 21-101 – *Marketplace Operation* (**NI 21-101**) from the restriction in section 6.3 of NI 21-101 relating to trading in Non-Canadian Fixed Income Securities, as defined below (**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 the Applicant, and
- (b) The Applicant 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 Quebec, British Columbia and Alberta.

The Applicant has also applied for an order pursuant to Section 144 of the *Securities Act* (Ontario) (the **Act**) to revoke, as of the date thereof, the 2015 Relief, as defined below (the **Revocation**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and National Policy 11-203 *Process for Exemptive Relief in Multiple Jurisdictions* (**NP 11-203**), NI 21-101 and the Act have the same meaning if used in this Decision, unless otherwise defined.

Representations

The Decision is based on the following facts represented by the Applicant:

1. The Applicant is a corporation formed under the laws of the Province of Nova Scotia and is an indirect wholly-owned subsidiary of MarketAxess Holdings Inc., a corporation formed under the laws of the State of Delaware, listed and publicly traded on NASDAQ.
2. The Applicant is an alternative trading system (**ATS**) under NI 21-101 that is registered as an investment dealer (or equivalent) in Ontario, Quebec, British Columbia and Alberta and is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).
3. The Applicant is an affiliate of MarketAxess Corporation. MarketAxess Corporation operates an ATS for the trading of fixed income securities in the United States, is registered as a broker-dealer under the United States *Securities Exchange Act of 1934*, relies in Ontario on the international dealer registration exemption in section 8.18 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, and is a member of the Financial Industry Regulatory Authority. The Applicant is also an affiliate of MarketAxess Europe Limited (together with MarketAxess Corporation, the **Affiliate ATSs**), which has received regulatory approval from the Financial Services Authority (**FSA**) in the United Kingdom to operate as a multilateral trading facility (**MTF**). The Applicant and the Affiliate ATSs are all wholly-owned subsidiaries of MarketAxess Holdings Inc.
4. The Applicant, as an ATS, facilitates the execution of orders on its Affiliate ATSs by its subscribers, as defined in NI 21-101 and described in its Form 21-101F2 *Information Statement Alternative Trading System*, as amended from time to time, (**Subscribers**), through the use of routing and execution agreements between the Applicant and its Affiliate ATSs.
5. The Applicant, as an ATS, currently offers access to its Subscribers based in Ontario, Quebec and British Columbia to a fixed income system (the **Fixed Income System**) operated by its Affiliate ATSs that facilitate trading in the following **Non-Canadian Fixed Income Securities**:
 - (i) High-grade and high-yield U.S. corporate bonds;
 - (ii) U.S. Government sponsored agency bonds (e.g. Ginnie Mae, issued by the Government National Mortgage Association, Fannie Mae, issued by the Federal National Mortgage Association, and Freddie Mac, issued by the Federal Home Loan Mortgage Corporation);
 - (iii) Emerging market bonds, which are defined as U.S. dollar or Euro-denominated bonds issued by sovereign entities or corporations domiciled in a developing country, including both high-grade and non-investment grade debt;
 - (iv) European high-grade corporate bonds, which are defined as corporate bonds issued by entities domiciled in Europe;
 - (v) Non-Canadian structured products, consisting of asset-backed securities, non-agency residential mortgage-backed securities and commercial mortgage-backed securities; and
 - (vi) Preferred stock of Non-Canadian issuers, constituting shares of ownership in a corporation that have a higher claim on its assets and earnings than common stock, and that generally have a dividend that must be paid out before dividends to common shareholders.

Section 6.3 of NI 21-101 provides that an ATS can only execute trades in Corporate Debt Securities. The definition of Corporate Debt Securities only includes debt securities issued in Canada by companies or corporations that are not listed on a recognized exchange or on a recognized quotation and trade reporting system.

6. By order dated November 5, 2015 and cited as *In the Matter of MarketAxess Canada Limited* (2016) 39 OSCB 46, the Applicant was granted relief from section 6.3 of NI 21-101 to be able to offer Non-Canadian Fixed Income Securities for trading to its Subscribers in Ontario, Quebec and British Columbia (the **2015 Relief**).
7. The effect of the Exemption Sought and the Revocation will be to replace and extend the 2015 Relief in Ontario, Quebec and British Columbia and to grant the Exemption Sought in Alberta, in each case with the effect as of and from the date thereof. The Revocation is required to ensure a clear and consistent public record.
8. Should the Applicant extend its registration in the future as to be permitted to offer access to the Fixed Income System in Canadian jurisdictions other than Ontario, Quebec, British Columbia and Alberta, the Applicant may seek to extend the Exemption Sought to such other jurisdictions on such terms and conditions as may be appropriate from time to time.

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 2015 Relief is revoked and the Exemption Sought is granted provided that the Fixed Income System is only made available to the Subscribers as described above.

Dated this 13th day of September, 2016

“Tracey Stern”
Manager, Market Regulation
Ontario Securities Commission

2.2 Orders

2.2.1 NEMI Northern Energy & Mining Inc.

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).

September 19, 2016

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
NEMI NORTHERN ENERGY & MINING INC.
(the Filer)**

ORDER

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the British Columbia 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 Alberta, Ontario and New Brunswick; 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

2 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

3 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*;

Decisions, Orders and Rulings

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.

Decision

- 4 Each of the Decision Makers 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 Decision Makers under the Legislation is that the Order Sought is granted.

“Robert Kirwin”
Director, Corporate Finance
British Columbia Securities Commission

2.2.2 Yoho Resources Inc.

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).

Citation: Re Yoho Resources Inc., 2016 ABASC 251

September 21, 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
YOHO RESOURCES 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 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, Québec, New Brunswick and Nova Scotia; 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

2.2.3 Eurex Clearing AG – s. 147

Headnote

Application under section 147 of the Securities Act (Ontario) (OSA) to exempt on an interim basis Eurex Clearing AG from recognition as a clearing agency under subsection 21.2(0.1) of the OSA.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21.2(0.1), 147.

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S. 5, AS AMENDED
(THE OSA)**

AND

**IN THE MATTER OF
EUREX CLEARING AG**

**ORDER
(Section 147 of the OSA)**

WHEREAS Eurex Clearing AG (**Eurex Clearing**) has filed an application (**Application**) with the Ontario Securities Commission (**Commission**) pursuant to section 147 of the OSA requesting an interim order exempting Eurex Clearing from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA (**Interim Order**);

AND WHEREAS Eurex Clearing has represented to the Commission that:

- 1.1 Eurex Clearing is a stock corporation (*Aktiengesellschaft*) incorporated under German law and is a wholly owned subsidiary of Eurex Frankfurt AG and an indirect wholly owned subsidiary of Deutsche Börse AG, a publicly traded company listed on the Frankfurt Stock Exchange.
- 1.2 Eurex Clearing is of the opinion that it fully observes the international standards applicable to financial market infrastructures described in the April 2012 report *Principles for financial market infrastructures (PFMIs)*, having prepared a detailed assessment of its compliance against the PFMIs and the associated disclosure framework as of February 2015, which was reviewed and validated by KPMG as an independent outside auditor.
- 1.3 Eurex Clearing qualifies as a central counterparty (**CCP**) pursuant to Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (**EMIR**), which sets out clearing and bilateral risk-management requirements for over-the-counter derivative contracts, reporting requirements for derivative contracts, and uniform requirements for the performance of activities of CCPs and trade repositories. It was granted authorization as a CCP under EMIR effective from April 10, 2014.
- 1.4 Eurex Clearing is subject to regulatory supervision by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (**BaFin**) and the German Central Bank.
- 1.5 Eurex Clearing is required to deliver to the German Central Bank monthly returns showing its liquidity and capital adequacy. The German Central Bank forwards these returns to BaFin, together with its comments. In addition, Eurex Clearing delivers its audited annual report and timely reports on specified types of organizational changes (e.g., new members of its executive board, departure of executive board members, establishment of subsidiaries, and opening of branches). The German Central Bank reviews Eurex Clearing's annual financial statements and auditors' reports and does an annual risk classification of Eurex Clearing, including an assessment of the adequacy of Eurex Clearing's capital and risk management procedures. The German Central Bank shares its findings with BaFin.
- 1.6 Eurex Clearing is a registered derivatives clearing organization (**DCO**) with the U.S. Commodity Futures Trading Commission (**CFTC**), and is thus subject to and complies with the CFTC's DCO Core Principles.
- 1.7 Eurex Clearing functions as the clearing agency for Eurex Frankfurt AG and Eurex Zürich AG. Eurex Clearing also acts as the clearing agency for EurexOTC Clear, Eurex Bonds, Eurex Repo, the securities lending market, the European Energy Exchange, the Frankfurt Stock Exchange, the Xetra® order book of the Deutsche Börse and the Irish Stock Exchange, and GMEX IRS Constant Maturity Futures, and it has a link with the Korea Exchange for the trading of

KOSPI 200 Options. Products cleared by Eurex Clearing (**Clearing Products**) include derivatives, equities, bonds, secured funding, securities financing and energy transactions.

- 1.8 A Clearing Member is a member of Eurex Clearing that holds a clearing license and may be either a General Clearing Member (**GCM**) or a Direct Clearing Member (**DCM** and, together with GCMs, **Clearing Members**). Participation as a GCM or DCM requires the granting of the appropriate license, for which specific requirements must be fulfilled. Companies may apply for one or more Clearing Licenses, including Eurex Derivatives Clearing License, Eurex Bonds Clearing License, Eurex Repo Clearing License, FWB[®] Equity Clearing License, and EEX Clearing License. A customer of a Clearing Member that is disclosed to Eurex Clearing and enters into a tripartite Clearing Agreement with Eurex Clearing and its Clearing Member qualifies as either a Non-Clearing Member (**NCM**) or a Registered Customer (**RC**). An NCM qualifies as a market participant without holding any clearing licenses. An RC does not qualify as a market participant by virtue of acting in that capacity. A DCM may act as clearer for an NCM or RC only if the DCM and NCM or RC are 100% affiliated. A GCM may act as clearer for any NCM or RC. An NCM may have a relationship with a maximum of three different Clearing Members. Clearing Members may clear their own trades as well as those executed on behalf of their customers and the trades of NCMs with which they have signed a Clearing Agreement.
- 1.9 Eurex Clearing also offers a Specific Lender License to participants in the securities lending market (**Specific Lenders**). The Specific Lender License accepts beneficial owners that lend securities as direct participants without requiring them to post margin or to contribute to its clearing fund. Specific Lenders do not create a risk position for Eurex Clearing because loaned securities are irrevocably delivered by Specific Lenders at the commencement of lending transactions and all collateral delivered for the benefit of Specific Lenders consists of pledged collateral that remains under the custody of approved tri-party collateral agents.
- 1.10 An applicant to become a Clearing Member is required to have sufficient financial resources and operational capacity to meet the obligations arising from participation in Eurex Clearing.
- 1.11 Eurex Clearing's clearing fund serves to protect against unusual price movements not covered by the margin calculation in case of a member default. Each Clearing Member has to contribute to the clearing fund. It consists of Clearing Members' direct deposited capital. It is used, up to a specific percentage, for securing the counterparty risk not covered by margin deposits. The clearing fund serves as a safeguard for the viability of the clearing system against Clearing Member defaults. Every Clearing Member is required to contribute to Eurex Clearing's clearing fund, which is separated into clearing fund segments (**CFSs**), whereby each liquidation group is assigned to a particular CFS. The size of each CFS depends on the exposure of the Clearing Members active in the liquidation group relative to the overall exposure of all Clearing Members.
- 1.12 In order to enhance the protection of customer assets in the event of a Clearing Member default, Eurex Clearing offers an Individual Segregated Account (**ISA**) structure for customers of Clearing Members, which provides full physical segregation of a customer's collateral supporting its cleared positions.
- 1.13 Eurex Clearing's ISA clearing model complies with the EMIR segregation and portability requirements of a CCP.
- 1.14 Eurex Clearing does not have any offices or maintain other physical installations in Ontario or any other Canadian province or territory.
- 1.15 Eurex Clearing has been advised that:
 - 1.15.1 an Ontario-based bank listed in Schedule I to the *Bank Act* (Canada) (**Ontario Participant**), currently clears through a non-Canadian GCM (**Foreign GCM**) equity derivatives for which Eurex Clearing is the exclusive CCP;
 - 1.15.2 in order to support its equity derivatives positions, the Ontario Participant places assets as collateral (**Ontario Assets**) with Eurex Clearing through the Foreign GCM in a standard customer Omnibus Segregated Account (**OA**) at Eurex Clearing, which the Foreign GCM uses to clear its customers' trades through Eurex Clearing; and
 - 1.15.3 the Ontario Participant wishes to be able to transfer the Ontario Assets, currently in the OA, to an ISA as soon as possible in order to quickly and effectively address the risk exposure of the Ontario Assets to the default of the Foreign GCM with which it holds those assets (together with those of other customers of the Foreign GCM).
- 1.16 The identities of customers of the Clearing Members, whose collateral assets are held in OAs, generally would not be disclosed to Eurex Clearing.

- 1.17 As a result of placing the Ontario Assets in an ISA at Eurex Clearing, the Ontario Assets would be protected in the event of the default of the Foreign GCM (including a default caused by the default of any of the Foreign GCM's other customers), and, in such event, the Ontario Assets could be ported very quickly to a replacement Clearing Member.
- 1.18 In order to transfer the Ontario Assets to an ISA, the Ontario Participant would enter into a tripartite Clearing Agreement with the Foreign GCM and Eurex Clearing, whereby the Ontario Participant would become an RC, which, in Eurex Clearing's view, would constitute Eurex Clearing carrying on business as a clearing agency in Ontario.
- 1.19 Eurex Clearing will file a full application as soon as practicable with the Commission for a subsequent order exempting it from the requirement to be recognized as a clearing agency under section 147 of the OSA (**Subsequent Order**).

AND WHEREAS, based on Eurex Clearing's representations above, the Ontario Participant wishes to move its collateral assets as soon as possible from an OA, and place them in an ISA maintained by Eurex Clearing;

AND WHEREAS the Commission recognizes the value to the Ontario Participant, as a customer of a Clearing Member, of using the ISA structure to reduce its risk exposure to any potential loss of assets used as collateral to support the Ontario Participant's cleared positions at Eurex Clearing if the Foreign GCM were to default on its obligations to Eurex Clearing;

AND WHEREAS, the requested relief is temporary, limited and conditional;

AND WHEREAS Eurex Clearing has acknowledged to the Commission that the scope of the Interim Order and the terms and conditions imposed by the Commission set out below may change as a result of the Commission's monitoring of developments in international and domestic capital markets or Eurex Clearing's activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

AND WHEREAS based on the Application and the representations Eurex Clearing has made to the Commission, in the Commission's opinion the granting of the Interim Order to exempt Eurex Clearing on an interim basis from the requirement to be recognized as a clearing agency would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that, pursuant to section 147 of the OSA, Eurex Clearing is exempt on an interim basis from the requirement to be recognized as a clearing agency under subsection 21.2 of the OSA;

PROVIDED THAT:

1. This Interim Order shall terminate on the earlier of (i) April 20, 2017 and (ii) the effective date of the Subsequent Order;
2. Except as permitted by the Commission, Eurex Clearing's clearing agency activities in Ontario (that require Eurex Clearing to be recognized as a clearing agency in Ontario or be exempt from recognition as a clearing agency) during the term of the Interim Order are limited to the clearing of Clearing Products for the Ontario Participant through an ISA opened for the Ontario Participant;
3. Eurex Clearing shall continue to be subject to regulation of BaFin and CFTC;
4. Eurex Clearing shall promptly notify staff of the Commission of:
 - (a) any material change or proposed material change in its regulatory oversight by BaFin or CFTC;
 - (b) any problems with the clearance and settlement of transactions that could materially affect the safety and efficiency of Eurex Clearing; and
 - (c) its receipt of a request from any other Ontario-based bank listed in Schedule I to the Bank Act (Canada) or other Ontario-based market participant to become a Clearing Member, NCM, RC or Specific Lender, provided that the Commission will maintain the confidentiality of the identity of such entity, unless (i) required by a court of competent jurisdiction, law, regulation or memorandum of understanding with a regulatory authority to release such identity, (ii) disclosure is permitted or consistent with the purposes of the OSA, or (iii) such identity is publicly available;
5. Eurex Clearing shall promptly provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information;

6. Eurex Clearing shall file with the Commission, no later than 60 days from the effective date of this Interim Order, a complete final application with accurate information and relevant supporting documents that are acceptable to the Commission for the Subsequent Order, such that if this deadline for filing a complete final application is not met, the Commission may terminate the Interim Order without further notice to Eurex Clearing;
7. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of Eurex Clearing's activities in Ontario, Eurex Clearing shall submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario; and
8. Eurex Clearing shall file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, related to or concerning the Commission's regulation and oversight of Eurex Clearing's activities in Ontario.

DATED this 22nd day of September, 2016.

"D. Grant Vingo"

"Monica Kowal"

2.2.4 Coventry Resources Limited

intended to be relied upon in British Columbia and Alberta.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application by a reporting issuer for an order that it is not a reporting issuer – Based on diligence inquiry, residents of Canada (i) do not directly or indirectly beneficially own more than 2% of each class or series of outstanding securities of the issuer worldwide, and (ii) do not directly or indirectly comprise more than 2% of the total number of shareholders of the issuer worldwide – Issuer has provided notice through a press release that it has submitted an application to cease to be a reporting issuer.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).
 National Policy 11-206 Process for Cease to be a Reporting Issuer Applications.

September 23, 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
 COVENTRY RESOURCES LIMITED
 (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

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 a company governed by the Australian *Corporations Act 2001* (the **Corporations Act**) with company registration number 161 615 783.
2. The Filer’s head office is located at Suite 9, 5 Centro Avenue, Subiaco, Western Australia 6008.
3. The Filer’s share capital is comprised of an unlimited number of fully paid ordinary shares (the **Shares**). As of August 12, 2016, there were a total of 403,439,615 Shares issued and outstanding.
4. The Shares of the Filer are currently listed on the Australian Securities Exchange (the **ASX**), under the trading symbol “CYY”.
5. The Filer is subject to all applicable corporate requirements of a company formed in Australia and the applicable securities laws and rules of the ASX. The Filer is not in default of any requirements of Australian law or the rules or requirements of the ASX applicable to it.
6. The Filer is a reporting issuer in Alberta, British Columbia and Ontario.
7. The Filer qualifies as a “designated foreign issuer” under National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**).
8. To the knowledge of the Filer, the Filer is not in default of the Legislation or the securities legislation of any jurisdiction.
9. The Filer has no present connection to Canada other than a limited number of securityholders who are residents of Canada, a majority of which are located in Ontario.
10. In support of the representation set forth in paragraph 11 below concerning the percentage of outstanding Shares and the total number of securityholders in Canada, the Filer reviewed its share register and issued beneficial tracing notice to nominee shareholders. Under section 672A of the Corporations Act, an ASX listed company may at any time issue a tracing notice to a registered shareholder requiring that person to disclose

details of all persons who have a beneficial interest in the relevant shares. Disclosure is mandatory and must be made within the specified time period outlined in the tracing notice.

11. Based on the Filer's diligence inquiries described above, the aggregate beneficial ownership of the Filer's Shares in Canada as at August 12, 2016 consists of 18 shareholders beneficially owning an aggregate of 2,922,733 Shares, representing approximately 1.01% of the total number of shareholders of the Filer and approximately 0.72% of the total outstanding Shares.
12. Accordingly, based on the foregoing, as of August 12, 2016, residents of Canada do not:
 - (a) directly or indirectly beneficially own more than 2% of each class or series of outstanding securities (including debt securities) of the Filer worldwide; and
 - (b) directly or indirectly comprise more than 2% of the total number of securityholders of the Filer worldwide.
13. In the 12 months preceding this application, the Filer has not taken any steps that indicate there is a market for its securities in Canada, including conducting a prospectus or private placement offering in Canada, establishing or maintaining a listing on an exchange in Canada or having its securities traded on a marketplace or any other facility in Canada for bringing together buyers and sellers where trading data is publicly reported.
14. By press release dated August 17, 2016, the Filer provided advance notice to Canadian resident securityholders that it has applied for an order to cease to be a reporting issuer in Alberta, British Columbia and Ontario and, if that order is made, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.
15. All continuous disclosure required to be made by the Filer under applicable Australian securities laws and ASX requirements is publicly available to all of the Filer's securityholders through the Filer's website at www.coventryres.com, and will be substantially the same as the continuous disclosure Canadian resident holders of Shares currently have access to given the Filer's status as a "designated foreign issuer" under NI 71-102.
16. The Filer undertakes that it will concurrently deliver to its Canadian registered securityholders all continuous disclosure the Filer is required to deliver to its non-Canadian registered securityholders under applicable Australian securities laws and ASX requirements.

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.

"William Furlong"
Ontario Securities Commission

"Anne Marie Ryan"
Ontario Securities Commission

2.2.5 Superior Copper Corporation

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).

September 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
SUPERIOR COPPER CORPORATION
(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 Alberta and British Columbia.

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

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

THERE IS NOTHING TO REPORT THIS WEEK.

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation

THERE IS NOTHING TO REPORT THIS WEEK.

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
Reservoir Capital Corp.	12 Sept 2016	23 Sept 2016	23 Sept 2016		

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
AlarmForce Industries Inc.	19 Sept 2016	30 Sept 2016			
iSIGN Media Solutions Inc.	09 Sept 2016	21 Sept 2016	21 Sept 2016		
Reservoir Capital Corp.	12 Sept 2016	23 Sept 2016	23 Sept 2016		
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016		

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Electrovaya Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated September 21, 2016

NP 11-202 Receipt dated September 23, 2016

Offering Price and Description:

C\$250,000,000.00

Common Shares

Debt Securities

Warrants

Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2535875

Issuer Name:

Energy Credit Opportunities Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated September 22, 2016

NP 11-202 Receipt dated September 22, 2016

Offering Price and Description:

\$100,000,000.00 - * Class A Units and * Class U Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Purpose Investments Inc.

Project #2535669

Issuer Name:

Essential Energy Services Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated September 23, 2016

NP 11-202 Receipt dated September 23, 2016

Offering Price and Description:

\$10,000,000.00 - 15,384,615 Common Shares

Price: \$0.65 per Common Share

Underwriter(s) or Distributor(s):

RAYMOND JAMES LTD.

PETERS & CO. LIMITED

TD SECURITIES INC.

CORMARK SECURITIES INC.

CANACCORD GENUITY CORP.

CLARUS SECURITIES INC.

PI FINANCIAL CORP.

HSBC SECURITIES (CANADA) INC.

Promoter(s):

-

Project #2535481

Issuer Name:

Franklin Bissett Canadian Government Bond Fund
Franklin Quotential Fixed Income Portfolio
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated September 23, 2016

NP 11-202 Receipt dated September 23, 2016

Offering Price and Description:

Series A, F, FT, O, OT, PF, PFT, T and T-USD units

Underwriter(s) or Distributor(s):

Franklin Templeton Investments Corp.

FTC Investors Services Inc.

Franklin Templeton Investments Corp.

Promoter(s):

Franklin Templeton Investments Corp.

Project #2535927

Issuer Name:

Just Energy Group Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 21, 2016

NP 11-202 Receipt dated September 21, 2016

Offering Price and Description:

\$160,000,000.00 - 6.75% Convertible Unsecured Senior Subordinated Debentures
Price \$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
HSBC SECURITIES (CANADA) INC.
CANACCORD GENUITY CORP.
GMP SECURITIES L.P.
ALTACORP CAPITAL INC.

Promoter(s):

-

Project #2534196

Issuer Name:

Mainstreet Health Investments Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 21, 2016

NP 11-202 Receipt dated September 21, 2016

Offering Price and Description:

US\$65,044,000.00 - 6,440,000 Subscription Receipts
Price: US\$10.10 per Subscription Receipt

Underwriter(s) or Distributor(s):

BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
RAYMOND JAMES LTD.
DESJARDINS SECURITIES INC.
ECHELON WEALTH PARTNERS INC.

Promoter(s):

MAINSTREET INVESTMENT COMPANY, LLC

Project #2534129

Issuer Name:

Milestone Apartments Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated September 21, 2016

NP 11-202 Receipt dated September 21, 2016

Offering Price and Description:

C\$750,000,000.00
Units

Debt Securities

Warrants

Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2535251

Issuer Name:

Bell Canada
Principal Regulator - Quebec

Type and Date:

Final Base Shelf Prospectus dated September 20, 2016

NP 11-202 Receipt dated September 20, 2016

Offering Price and Description:

\$4,000,000,000.00 - Debt Securities (UNSECURED)
Unconditionally guaranteed as to payment of principal, interest and other payment obligations by BCE Inc.

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2533235

Issuer Name:

BlackRock All Bond Portfolio
BlackRock Balanced Portfolio
BlackRock Conservative Portfolio
BlackRock Defensive Portfolio
BlackRock Diversified Monthly Income Portfolio
BlackRock Growth Portfolio
BlackRock MaxGrowth Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated September 22, 2016

NP 11-202 Receipt dated September 23, 2016

Offering Price and Description:

Series A, Series D, Series F and Series I mutual fund units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2520232

Issuer Name:

Donnelley Financial Solutions, Inc.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated September 20, 2016
NP 11-202 Receipt dated September 20, 2016

Offering Price and Description:

26,200,000 Shares of Common Stock

Underwriter(s) or Distributor(s):

-

Promoter(s):

R. R. Donnelley & Sons Company
Project #2504610

Issuer Name:

First Trust Dorsey Wright Dynamic U.S. Sector Rotation
Index ETF (CAD-Hedged)
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated September 19, 2016
NP 11-202 Receipt dated September 20, 2016

Offering Price and Description:

units @ net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

FT PORTFOLIOS CANADA CO.
Project #2506138

Issuer Name:

INFOR Acquisition Corp.
Principal Regulator - Ontario

Type and Date:

Final Long Form Non-Offering Prospectus dated
September 20, 2016
NP 11-202 Receipt dated September 23, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Infor Financial Group Inc.
Project #2515839

Issuer Name:

Liquor Stores N.A. Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated September 21, 2016
NP 11-202 Receipt dated September 21, 2016

Offering Price and Description:

\$67,500,000.00 - 4.70% Convertible Unsecured

Subordinated Debentures

Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
CORMARK SECURITIES INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
PI FINANCIAL CORP.

Promoter(s):

-

Project #2532626

Issuer Name:

LSC Communications, Inc.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated September 20, 2016
NP 11-202 Receipt dated September 20, 2016

Offering Price and Description:

26,200,000 Shares of Common Stock

Underwriter(s) or Distributor(s):

-

Promoter(s):

R. R. Donnelley & Sons Company
Project #2504612

Issuer Name:

Marquest 2016-II Mining Super Flow-Through Limited Partnership - National Class
Marquest 2016-II Mining Super Flow-Through Limited Partnership - Québec Class
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated September 20, 2016
NP 11-202 Receipt dated September 22, 2016

Offering Price and Description:

Limited Partnership Units
Maximum Offering: \$20,000,000 (2,000,000 Marquest 2016-II National Class Units)
Minimum Offering: \$2,500,000 (250,000 Marquest 2016-II National Class Units) (subject to a minimum of 250,000 Québec Class Units being sold)
\$10.00 per Marquest 2016-II National Class Unit
Minimum Subscription: \$2,500 (250 National Class Units or 250 Québec Class Units)

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Desjardins Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Industrial Alliance Securities Inc.
Raymond James Ltd.
Manulife Securities Incorporated
Echelon Wealth Partners Inc.
Laurentian Bank Securities Inc.

Promoter(s):

Marquest Asset Management Inc.
Project #2519036; 2519034

Issuer Name:

Middlefield Healthcare & Wellness Dividend Fund
Principal Regulator - Alberta

Type and Date:

Final Long Form Prospectus dated September 20, 2016
NP 11-202 Receipt dated September 20, 2016

Offering Price and Description:

-

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.
Raymond James Ltd.
Dundee Securities Ltd.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Middlefield Capital Corporation

Promoter(s):

Middlefield Limited
Project #2522284

Issuer Name:

Mosaic Capital Corporation
Principal Regulator - Alberta

Type and Date:

Final Base Shelf Prospectus dated September 23, 2016
NP 11-202 Receipt dated September 23, 2016

Offering Price and Description:

\$200,000,000.00
Common Shares
Preferred Shares
Warrants
Preferred Securities
Debt Securities
Subscription Receipts
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2531081

Issuer Name:

Sprott 2016-II Flow-Through Limited Partnership
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated September 22, 2016
NP 11-202 Receipt dated September 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:

Wallbridge Mining Company Limited

Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 16, 2016

NP 11-202 Receipt dated September 20, 2016

Offering Price and Description:

Minimum: \$1,500,000.00; Maximum: \$4,500,000.00

Up to 43,750,000 Units and Up to 10,000,000 FT Shares

Price: \$0.08 per Unit \$0.10 per FT Share

Underwriter(s) or Distributor(s):

Secutor Capital Management Corporation

Canaccord Genuity Corp.

Promoter(s):

-

Project #2506192

Issuer Name:

UIT Energy Producers Class

UIT Global REIT Fund

UIT Gold Developers & Producers Class

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated September 16, 2016

NP 11-202 Receipt dated September 20, 2016

Offering Price and Description:

Series A securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

Faircourt Asset Management Inc.

Project #2516030

Issuer Name:

(CORRECTED COPY)

Templeton Asian Growth Fund (Series O units)
 Templeton EAFE Developed Markets Fund (Series O and PF units)
 Templeton Emerging Markets Fund (Series I, O and PF units)
 Templeton Frontier Markets Fund (Series O units)
 Templeton Global Balanced Fund (Series I, M, O, S, V and W units)
 Templeton Global Bond Fund (Series I, M and O units)
 Templeton Global Bond Fund (Hedged) (Series I, M and O units)
 Templeton Global Smaller Companies Fund (Series I, O and PF units)
 Templeton Growth Fund, Ltd. (Series I, M and O shares)
 Templeton International Stock Fund (Series I, O, PF and PFT units)
 Franklin Global Small-Mid Cap Fund (Series I, M and O units)
 Franklin High Income Fund (Series I, M and O units)
 Franklin Strategic Income Fund (Series I, M and O units)
 Franklin U.S. Core Equity Fund (Series O and PF units)
 Franklin U.S. Monthly Income Fund (Series I, O, R, S and PF and PFT units)
 Franklin U.S. Opportunities Fund (Series O and PF units)
 Franklin U.S. Rising Dividends Fund (Series O, PF and PFT units)
 Franklin World Growth Fund (Series O and PF units)
 Franklin Bissett All Canadian Focus Fund (Series I, O and PF units)
 Franklin Bissett Canadian All Cap Balanced Fund (Series I, O and PF units)
 Franklin Bissett Canadian Balanced Fund (Series I, O, PF and PFT units)
 Franklin Bissett Canadian Dividend Fund (Series I, O and PF units)
 Franklin Bissett Canadian Equity Fund (Series I, O and PF units)
 Franklin Bissett Canadian Short Term Bond Fund (Series M and O units)
 Franklin Bissett Core Plus Bond Fund (Series I, M and O units)
 Franklin Bissett Corporate Bond Fund (Series I, M and O units)
 Franklin Bissett Dividend Income Fund (Series I, O, PF and PFT units)
 Franklin Bissett Microcap Fund (Series O and PF units)
 Franklin Bissett Money Market Fund (Series I, O and PF units)
 Franklin Bissett Monthly Income and Growth Fund (Series I, M, O and PFT units)
 Franklin Bissett Small Cap Fund (Series M and O units)
 Franklin Bissett U.S. Focus Fund (Series O units)
 Franklin Mutual European Fund (Series I, M and O units)
 Franklin Mutual Global Discovery Fund (Series I, O, PF and PFT units)
 Franklin Mutual U.S. Shares Fund (Series I and O units)
 Franklin Quotential Balanced Growth Portfolio (Series I, O, R, S, PF and PFT units)
 Franklin Quotential Balanced Income Portfolio (Series I, O, R, S, PF and PFT units)

Franklin Quotential Diversified Equity Portfolio (Series I, O, R, PF and PFT units)
 Franklin Quotential Diversified Income Portfolio (Series I, O, S, PF and PFT units)
 Franklin Quotential Growth Portfolio (Series I, O, R, PF and PFT units)
 Franklin Templeton Canadian Large Cap Fund (Series O units)
 Templeton Asian Growth Corporate Class (Series A, F, I and O shares)
 Templeton Emerging Markets Corporate Class (Series A, F, M and O shares)
 Templeton Frontier Markets Corporate Class (Series A, F and O shares)
 Templeton Global Smaller Companies Corporate Class (Series A, F, I and O shares)
 Templeton Growth Corporate Class (Series A, F, I, M and O shares)
 Templeton International Stock Corporate Class (Series A, F, I, M, O and T shares)
 Franklin U.S. Monthly Income Corporate Class (Series A, F, I, M, O, R, S, T and T-USD shares)
 Franklin U.S. Monthly Income Hedged Corporate Class (Series A, F, I, M, O, R, S and T shares)
 Franklin U.S. Opportunities Corporate Class (Series A, F and O shares)
 Franklin U.S. Rising Dividends Corporate Class (Series A, F, I, M, O and T shares)
 Franklin U.S. Rising Dividends Hedged Corporate Class (Series A, F, O and T shares)
 Franklin World Growth Corporate Class (Series A, F, O and T shares)
 Franklin Bissett All Canadian Focus Corporate Class (Series A, F, I and O shares)
 Franklin Bissett Canadian All Cap Balanced Corporate Class (Series A, F, I, O, and T shares)
 Franklin Bissett Canadian Balanced Corporate Class (Series A, F, I, M, O and T shares)
 Franklin Bissett Canadian Dividend Corporate Class (Series A, F, I, M, O, R, S and T shares)
 Franklin Bissett Canadian Equity Corporate Class (Series A, F, I, M, O, R and T shares)
 Franklin Bissett Dividend Income Corporate Class (Series A, F, I, M, O and T shares)
 Franklin Bissett Energy Corporate Class (Series A, F, M and O shares)
 Franklin Bissett Money Market Corporate Class (Series A, F, I and O shares)
 Franklin Bissett Small Cap Corporate Class (Series A, F and O shares)
 Franklin Bissett U.S. Focus Corporate Class (Series A, F, M and O shares)
 Franklin Mutual Global Discovery Corporate Class (Series A, F, I, M, O, T and T-USD shares)
 Franklin Mutual U.S. Shares Corporate Class (Series A, F, I, O and T shares)
 Franklin Quotential Balanced Growth Corporate Class Portfolio (Series A, F, I, M, O, R, S, T and V shares)
 Franklin Quotential Balanced Income Corporate Class Portfolio (Series A, F, I, M, O, R, S, T and V shares)

Franklin Quotential Diversified Equity Corporate Class Portfolio (Series A, F, I, M, O, R, S, T and T-USD shares)

Franklin Quotential Diversified Income Corporate Class Portfolio (Series A, F, I, M, O, R, S, T, T-USD, V and W shares)

Franklin Quotential Growth Corporate Class Portfolio (Series A, F, I, M, O, S and T shares)

Principal Regulator - Ontario

Type and Date:

Amendment No. 2 dated September 9, 2016 (amendment no. 2) to the Simplified Prospectuses and Amendment No. 4 dated September 9, 2016 to the Annual Information Form (amendment no. 4, together with amendment no.2,

"amendment no. 4") dated May 27, 2016

NP 11-202 Receipt dated September 20, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Franklin Templeton Investments Corp.

Franklin Templeton Investments Corp.

Bissett Investment Management, a division of Franklin Templeton Investments Corp.

Franklin Templeton Investments Corp.

Promoter(s):

Franklin Templeton Investments Corp.

Project #2469490

Issuer Name:

Trimark Interest Fund (Series DSC and Series SC)

Trimark U.S. Money Market Fund (Series DSC and Series SC)

Trimark Diversified Yield Class* (Series A, Series ACAP, Series D, Series F, Series F8, Series I, Series P, Series PF, Series PF6, Series PT4, Series PT6, Series PT8, Series PTF, Series T4, Series T6, Series T8, Series T4CAP, Series T6CAP and Series T8CAP)

Trimark Global Balanced Fund (Series A, Series D, Series F, Series H, Series I, Series M, Series O, Series P, Series PF, Series T4, Series T6 and Series T8)

Trimark Global Balanced Class* (Series A, Series F, Series F4, Series F6, Series FH, Series H, Series P, Series PF, Series PFH, Series PF4, Series PF6, Series PH, Series PT4, Series PT6, Series PTF, Series T4, Series T6 and Series T8)

Trimark Global Diversified Income Fund (Series A, Series F, Series I, Series P, Series PF and Series PTF)

Trimark Income Growth Fund (Series A, Series D, Series F, Series I, Series O, Series P, Series PF, Series SC, Series T4, Series T6 and Series T8)

Trimark Select Balanced Fund (Series A, Series D, Series F, Series I, Series P, Series PF, Series T4, Series T6 and Series T8)

Trimark Canadian Endeavour Fund (Series A, Series D, Series F, Series I, Series P, Series PF and Series PTF)

Trimark Canadian Fund (Series A, Series D, Series F, Series I, Series O and Series SC)

Trimark Canadian Class* (Series A, Series F, Series I, Series P, Series PF, Series T4, Series T6 and Series T8)

Trimark Canadian Opportunity Fund (Series A, Series F and Series I)

Trimark Canadian Opportunity Class* (Series A, Series D, Series F, Series I, Series P, Series PF and Series PTF)

Trimark Canadian Plus Dividend Class* (Series A, Series D, Series F, Series I, Series P, Series PF, Series PT4, Series PT6, Series PTF, Series T4, Series T6 and Series T8)

Trimark Canadian Small Companies Fund (Series A, Series D, Series F, Series I, Series P and Series PF)

Trimark U.S. Companies Fund (Series A, Series D, Series F, Series I and Series O)

Trimark U.S. Companies Class* (Series A, Series F, Series FH, Series H, Series P, Series PF, Series PFH, Series PH, Series PTF and Series PTFU)

Trimark U.S. Small Companies Class* (Series A, Series D, Series F, Series I, Series P, Series PF, Series PTF and Series PTFU)

Trimark Fund (Series A, Series D, Series F, Series H, Series I, Series O, Series P, Series PF, Series PTF, Series PTFU, Series SC, Series T4, Series T6 and Series T8)

Trimark Global Dividend Class* (Series A, Series D, Series F, Series FH, Series F4, Series F6,

Series H, Series P, Series PF, Series PFH, Series PF4, Series PF6, Series PH, Series PT4, Series PT6, Series PTF, Series T4, Series T6 and Series T8)
Trimark Global Endeavour Fund (Series A, Series D, Series F, Series H, Series I, Series M, Series O, Series P and Series PF)
Trimark Global Endeavour Class* (Series A, Series F, Series FH, Series H, Series P, Series PF, Series PFH, Series PH, Series PTF and Series PTFU)
Trimark Global Fundamental Equity Fund (Series A, Series D, Series F, Series H, Series I, Series T4, Series T6 and Series T8)
Trimark Global Fundamental Equity Class* (Series A, Series F, Series FH, Series H, Series I, Series P, Series PF, Series PH, Series PTF, Series T4, Series T6 and Series T8)
Trimark Global Small Companies Class* (Series A, Series D, Series F, Series I, Series P, Series PF, Series PTF and Series PTFU)
Trimark Emerging Markets Class* (Series A, Series D, Series F, Series I, Series P, Series PF, Series PTF and Series PTFU)
Trimark Europlus Fund (Series A, Series D, Series F, Series I, Series P, Series PF, Series PTF and Series PTFU)
Trimark International Companies Fund (Series A, Series F and Series I)
Trimark International Companies Class* (Series A, Series F, Series P, Series PF and Series PTF)
Trimark Energy Class* (Series A, Series F and Series PTF)
Trimark Resources Fund (Series A, Series D, Series F, Series I and Series PTF)
Invesco Allocation Fund (Series A, Series F and Series SC)
Invesco Canada Money Market Fund (Series A, Series DCA and Series DCA Heritage)
Invesco Short-Term Income Class* (Series A, Series B and Series F)
Invesco Advantage Bond Fund (formerly Trimark Advantage Bond Fund) (Series A, Series F, Series I and Series PTF)
Invesco Canadian Bond Fund (formerly Trimark Canadian Bond Fund) (Series A, Series D, Series F, Series I, Series P, Series PF and Series PTF)
Invesco Canadian Bond Class* (formerly Trimark Canadian Bond Class) (Series P, Series PF, Series PF4 and Series PT4)
Invesco Emerging Markets Debt Fund (Series A, Series D, Series F, Series I, Series P, Series PF, Series PTF and Series PTFU)
Invesco Floating Rate Income Fund (formerly Trimark Floating Rate Income Fund) (Series A, Series D, Series F, Series I, Series P, Series PF and Series PTF)
Invesco Global Bond Fund (Series A, Series F, Series I, Series P, Series PF and Series PTF)
Invesco Global High Yield Bond Fund (formerly Trimark Global High Yield Bond Fund) (Series A, Series D, Series F, Series I and Series PTF)
Invesco Short-Term Bond Fund (formerly Trimark Short-Term Income Fund) (Series A, Series F and Series I)

Invesco Canadian Balanced Fund (Series A, Series D, Series F, Series I, Series P, Series PF, Series T4, Series T6 and Series T8)
Invesco Core Canadian Balanced Class* (Series A, Series F, Series I, Series T4, Series T6 and Series T8)
Invesco Canadian Premier Growth Fund (Series A, Series D, Series F and Series I)
Invesco Canadian Premier Growth Class* (Series A, Series F, Series I, Series P, Series PF, Series PTF, Series T4, Series T6 and Series T8)
Invesco Select Canadian Equity Fund (Series A, Series F, Series I, Series T4, Series T6 and Series T8)
Invesco Global Growth Class* (Series A, Series D, Series F, Series I, Series P, Series PF, Series PTF and Series PTFU)
Invesco European Growth Class* (Series A, Series F, Series I, Series P, Series PF, Series PF6, Series PTF and Series PTFU)
Invesco Indo-Pacific Fund (Series A, Series F, Series PTF and Series PTFU)
Invesco International Growth Fund (Series A, Series D, Series F and Series I)
Invesco International Growth Class* (Series A, Series F, Series FH, Series H, Series I, Series P, Series PF, Series PFH, Series PH, Series PTF and Series PTFU)
Invesco Global Real Estate Fund (Series A, Series F, Series I, Series PTF, Series PTFU and Series T8)
PowerShares 1-5 Year Laddered Corporate Bond Index Fund (Series A, Series F and Series I)
PowerShares High Yield Corporate Bond Index Fund (Series A, Series F and Series I)
PowerShares Real Return Bond Index Fund (Series A, Series D, Series F and Series I)
PowerShares Tactical Bond Fund (Series A, Series F, Series F4, Series F6, Series I, Series T4 and Series T6)
PowerShares Canadian Dividend Index Class* (Series A, Series F and Series I)
PowerShares Canadian Preferred Share Index Class* (Series A, Series F and Series I)
PowerShares Monthly Income Fund (formerly PowerShares Diversified Yield Fund) (Series A, Series D, Series F, Series T6 and Series T8)
PowerShares Global Dividend Achievers Fund (Series A, Series D and Series F)
PowerShares Canadian Low Volatility Index Class* (Series A and Series F)
PowerShares U.S. Low Volatility Index Fund (Series A and Series F)
PowerShares FTSE RAFI® Canadian Fundamental Index Class* (Series A, Series F and Series I)
PowerShares FTSE RAFI® Emerging Markets Fundamental Class* (Series A, Series D and Series F)
PowerShares FTSE RAFI® Global+ Fundamental Fund (Series A, Series D and Series F)
PowerShares FTSE RAFI® U.S. Fundamental Fund (Series A and Series F)

Invesco Intactive Diversified Income Portfolio (Series A, Series D, Series F, Series I, Series P, Series PF, Series T4 and Series T6)
Invesco Intactive Diversified Income Portfolio Class* (Series A, Series F, Series F4, Series F6, Series P, Series PF, Series PF4, Series PF6, Series PT4, Series PT6, Series T4 and Series T6)
Invesco Intactive Balanced Income Portfolio (Series A, Series D, Series F, Series I, Series P, Series PF, Series T4 and Series T6)
Invesco Intactive Balanced Income Portfolio Class* (Series A, Series F, Series F4, Series F6, Series P, Series PF, Series PF4, Series PF6, Series PT4, Series PT6, Series T4 and Series T6)
Invesco Intactive Balanced Growth Portfolio (Series A, Series D, Series F, Series I, Series P, Series PF, Series T4, Series T6 and Series T8)
Invesco Intactive Balanced Growth Portfolio Class* (Series A, Series F, Series P, Series PF, Series PT6, Series T4, Series T6 and Series T8)
Invesco Intactive Growth Portfolio (Series A, Series D, Series F, Series I, Series P, Series PF, Series T4, Series T6 and Series T8)
Invesco Intactive Growth Portfolio Class* (Series A, Series F, Series P, Series PF, Series PT6, Series T4, Series T6 and Series T8)
Invesco Intactive Maximum Growth Portfolio (Series A, Series D, Series F, Series I, Series P, Series PF, Series T6 and Series T8)
Invesco Intactive Maximum Growth Portfolio Class* (Series A, Series F, Series P, Series PF, Series PT6, Series T6 and Series T8)
Invesco Intactive Strategic Yield Portfolio (Series A, Series D, Series F, Series F4, Series F6, Series I, Series P, Series PF, Series PT4, Series PT6, Series T4 and Series T6)
Invesco Intactive 2023 Portfolio (Series A, Series F, Series I and Series P)
Invesco Intactive 2028 Portfolio (Series A, Series F, Series I and Series P)
Invesco Intactive 2033 Portfolio (Series A, Series F, Series I and Series P)
Invesco Intactive 2038 Portfolio (Series A, Series F, Series I and Series P)
(* a class of Invesco Corporate Class Inc.)

Principal Regulator - Ontario

Type and Date:

Amended and Restated Simplified Prospectuses dated September 16, 2016 amending and restating the Simplified Prospectuses dated July 29, 2016 and, Amendment No. 1 dated September 16, 2016 to the Annual Information Form dated July 29, 2016NP 11-202 Receipt dated September 21, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2494482

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	A Cubed Capital Inc.	Investment Fund Manager, Portfolio Manager, Exempt Market Dealer and Commodity Trading Manager	September 21, 2016
Voluntary Surrender	Sincerus Exempt Market Dealer Ltd.	Exempt Market Dealer	September 21, 2016
Name Change	From: D&D Securities Inc. To: Dominick Inc.	Investment Dealer	September 1, 2016
Name Change	From: De Thomas Financial Corp. To: De Thomas Wealth Management Corp.	Mutual Fund Dealer and Exempt Market Dealer	August 26, 2016
Voluntary Surrender	Howell Investment Management Inc.	Portfolio Manager	September 15, 2016
Change in Registration Category	MD Financial Management Inc.	From: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer To: Investment Fund Manager, Portfolio Manager, Exempt Market Dealer and Commodity Trading Manager	September 22, 2016
New Registration	Castle Ridge Asset Management Limited	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	September 23, 2016
Change in Registration Category	Acernis Capital Management Inc.	From: Investment Fund Manager, Portfolio Manager and Exempt Market Dealer To: Portfolio Manager	September 27, 2016

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – Amendments Respecting Market Transparency in Trading of Domestic Debt Securities – Notice of Commission Approval

AMENDMENTS RESPECTING MARKET TRANSPARENCY IN TRADING OF DOMESTIC DEBT SECURITIES

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission has approved IIROC's proposed amendments to Dealer Member Rule 2100. The amendments ensure Dealer Member Rule 2100 remains current in light of the cessation of CANPX Inc. to operate as an information processor on June 30, 2016. The amendments accommodate any entity who acts as an information processor and ensure consistency with the requirements in National Instrument 21-101.

The proposed amendments were published for comment on June 2, 2016. No public comments were received. No changes to the proposed amendments, as set out in Notice 16-0117, were made.

The amendments are effective immediately. A copy of the IIROC Notice including the amendments can be found at <http://www.osc.gov.on.ca>.

In addition, the Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Nova Scotia Securities Commission, the Office of the Superintendent of Securities, Service Newfoundland and Labrador, and the Prince Edward Island Office of the Superintendent of Securities Office have approved or not objected to the amendments.

13.3 Clearing Agencies

13.3.1 Eurex Clearing AG – Application for Interim Exemptive Relief – Notice of Commission Order

EUREX CLEARING AG

APPLICATION FOR INTERIM EXEMPTIVE RELIEF

NOTICE OF COMMISSION ORDER

On September 22, 2016, the Commission granted Eurex Clearing AG (Eurex Clearing) an interim exemption from the requirement in subsection 21.2(0.1) of the *Securities Act* (Ontario) (Act) to be recognized as a clearing agency. Eurex Clearing is exempted from the requirement until the earlier of (i) the date the Commission renders a subsequent order to either recognize Eurex Clearing as a clearing agency under subsection 21.2(0.1) of the Act or exempt it from the requirement to be recognized as a clearing agency under section 147 of the Act, and (ii) April 20, 2017. The interim exemption order is subject to certain terms and conditions.

A copy of the interim exemption order is published in Chapter 2 of this Bulletin.

Chapter 25

Other Information

25.1 Consents

25.1.1 Feronia Inc. – s. 4(b) of Ont. Reg. 289/00 under the OBCA

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the British Columbia Business Corporations Act.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.

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

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b).

**IN THE MATTER OF
R.R.O. 1990, REGULATION 289/00, AS AMENDED
(THE “REGULATION”) MADE UNDER
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, C. B.16, AS AMENDED
(THE “OBCA”)**

AND

**IN THE MATTER OF
FERONIA INC.**

**CONSENT
(Subsection 4(b) of the Regulation)**

UPON the application of Feronia Inc. (the “**Applicant**”) to the Ontario Securities Commission (the “**Commission**”) requesting the consent of the Commission, pursuant to subsection 4(b) of the Regulation, for the Applicant to continue to another jurisdiction pursuant to Section 181 of the OBCA (the “**Continuance**”);

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is an offering corporation as defined in the OBCA and is a reporting issuer under the *Securities Act*, R.S.O. 1990, c. s. 5 as amended (the “**Act**”) and the securities legislation (the “**Legislation**”) of each province of Canada, with the exception of Quebec.

2. The Applicant was continued under the OBCA by articles of continuance effective on August 18, 2010 under the name G.T.M. Capital Corporation. On September 7, 2010, the Applicant changed its name to Feronia Inc.

3. The head and registered office of the Applicant is 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9. Following the Continuance, the Applicant’s registered office will be 1000 – 595 Burrard Street, Vancouver, BC, V7X 1S8 and the head office of the Applicant will remain in Toronto, Ontario.

4. The authorized share capital of the Applicant consists of an unlimited number of common shares (the “**Common Shares**”) of which 346,940,761 Common Shares were issued and outstanding as of August 8, 2016.

5. The Applicant has \$5,363,000 principal amount of 12% unsecured convertible debentures outstanding as of August 8, 2016 (the “**Debentures**”). The Debentures were issued pursuant to a trust indenture dated July 24, 2012 between the Applicant and Equity Financial Trust Company, as trustee.

6. The Common Shares of the Applicant are listed for trading on the TSX Venture Exchange (the “**TSXV**”) under the symbol “FRN”. The outstanding Debentures are listed for trading on the TSXV under the symbol “FRN.DB”. The Applicant does not have any securities listed on any other exchange except the TSXV.

7. The Applicant proposes to make an application to the Director under the OBCA pursuant to section 181 of the OBCA for authorization to continue into British Columbia as a corporation under the *Business Corporations Act* (British Columbia) (“**BCBCA**”). The Applicant intends to keep its current name and trading symbol. The Applicant has a name reservation granted by the Registrar of Companies, British Columbia in the name “Feronia Inc.”, under name reservation number NR 5375606.

8. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation under the OBCA, the Application for Continuance must be accompanied by a consent of the Commission.

9. The Commission is the Applicant’s principal regulator. Following the Continuance, the Commission will remain as the Applicant’s principal regulator.

Other Information

10. The Applicant is not in default under any provision of the OBCA, the Act or the Legislation or the regulations or rules made thereunder and is not in default under any rules, regulations or policies of the TSXV.
11. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the OBCA, the Act or the Legislation.
12. A summary of the material provisions respecting the proposed Continuance was provided to the shareholders of the Applicant ("**Shareholders**") in the management information circular of the Corporation dated May 17, 2016 (the "**Circular**") in respect of the Corporation's annual and special meeting of shareholders held on June 20, 2016 (the "**Meeting**"). The Circular advised the shareholders of their dissent rights in connection with the proposed Continuance (the "**Continuance Resolution**") pursuant to section 185 of the OBCA and included a summary comparison of the differences between the OBCA and the BCBCA. The Circular was mailed to Shareholders on May 19, 2016 and was filed on the System for Electronic Document Analysis and Retrieval on May 20, 2016.
13. In accordance with the OBCA, the special resolution of Shareholders obtained at the Meeting in connection with the Continuance Resolution required the approval of a minimum majority of 66 2/3% of the aggregate votes cast by Shareholders present in person or by proxy at the Meeting. Each Shareholder was entitled to one vote for each Common Share held.
14. Shareholders had the right to dissent with respect to the proposed Continuance pursuant to Section 185 of the OBCA, and the Circular disclosed full particulars of this right in accordance with applicable law.
15. The Continuance Resolution was approved at the Meeting by 99.99% of the votes cast by Shareholders in respect of the Continuance Resolution. None of the Shareholders exercised dissent rights pursuant to section 185 of the OBCA.
16. The Continuance is proposed to be made as the Applicant believes that the BCBCA will provide the Applicant with greater flexibility than the OBCA with respect to directors as the BCBCA does not have a requirement that any of the directors be Canadian residents.
17. Following the Continuance, the Applicant intends to remain a reporting issuer or equivalent in each province of Canada, with the exception of Quebec.
18. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.

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

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the BCBCA.

DATED at Toronto this 17th day of August, 2016.

"Judith Robertson"
Commissioner
Ontario Securities Commission

"William "Bill" Furlong"
Commissioner
Ontario Securities Commission

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