

The Ontario Securities Commission

OSC Bulletin

March 16, 2017

Volume 40, Issue 11

(2017), 40 OSCB

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

The Ontario Securities Commission

Cadillac Fairview Tower
22nd Floor, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

Contact Centre – Inquiries, Complaints:

Office of the Secretary:

Published under the authority of the Commission by:

Thomson Reuters
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

416-609-3800 or 1-800-387-5164

Fax: 416-593-8122
TTY: 1-866-827-1295

Fax: 416-593-2318



The OSC Bulletin is published weekly by Thomson Reuters Canada, under the authority of the Ontario Securities Commission.

Thomson Reuters Canada offers every issue of the Bulletin, from 1994 onwards, fully searchable on *SecuritiesSource*[™], Canada's pre-eminent web-based securities resource. *SecuritiesSource*[™] also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *SecuritiesSource*[™], as well as ordering information, please go to:

<http://www.westlawecarswell.com/SecuritiesSource/News/default.htm>

or call Thomson Reuters Canada Customer Relations at 1-800-387-5164 (416-609-3800 Toronto & Outside of Canada).

Claims from *bona fide* subscribers for missing issues will be honoured by Thomson Reuters Canada up to one month from publication date.

Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the publisher.

The publisher is not engaged in rendering legal, accounting or other professional advice. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

© Copyright 2017 Ontario Securities Commission

ISSN 0226-9325

Except Chapter 7 ©CDS INC.



One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

Customer Relations
Toronto 1-416-609-3800
Elsewhere in Canada/U.S. 1-800-387-5164
Fax 1-416-298-5082
www.carswell.com
Email www.carswell.com/email

Table of Contents

| | |
|--|--|
| <p>Chapter 1 Notices / News Releases2333</p> <p>1.1 Notices2333</p> <p>1.1.1 CSA Multilateral Staff Notice 51-349 Report on the Review of Investment Entities and Guide for Disclosure Improvements2333</p> <p>1.2 Notices of Hearing..... (nil)</p> <p>1.3 Notices of Hearing with Related Statements of Allegations (nil)</p> <p>1.4 News Releases (nil)</p> <p>1.5 Notices from the Office of the Secretary2335</p> <p>1.5.1 Krishna Sammy2335</p> <p>1.5.2 Mark Steven Rotstein and Equilibrium Partners Inc.2335</p> <p>1.6 Notices from the Office of the Secretary with Related Statements of Allegations (nil)</p> <p>Chapter 2 Decisions, Orders and Rulings2337</p> <p>2.1 Decisions2337</p> <p>2.1.1 Total S.A.2337</p> <p>2.1.2 McEwen Mining Inc.2345</p> <p>2.1.3 Compagnie de Saint-Gobain2347</p> <p>2.1.4 Horizons ETFs Management (Canada) Inc. and AlphaPro Management Inc.2352</p> <p>2.1.5 Schneider Electric S.E.2356</p> <p>2.1.6 Sierra Wireless, Inc.2362</p> <p>2.1.7 American Hotel Income Properties REIT LP2365</p> <p>2.2 Orders.....2368</p> <p>2.2.1 Janus Capital Management LLC – s. 80 of the CFA2368</p> <p>2.2.2 Krishna Sammy2377</p> <p>2.2.3 Mark Steven Rotstein and Equilibrium Partners Inc.2377</p> <p>2.2.4 Estrella International Energy Services Ltd.2378</p> <p>2.2.5 Royal Bank of Canada and The Toronto-Dominion Bank – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids2379</p> <p>2.2.6 Royal Bank of Canada and The Bank of Nova Scotia – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids2386</p> <p>2.2.7 Global Diversified Investment Grade Income Trust II2393</p> <p>2.3 Orders with Related Settlement Agreements..... (nil)</p> <p>2.4 Rulings2394</p> <p>2.4.1 ABN AMRO Clearing Chicago LLC – ss. 38 and 73 of the CFA and s. 6.1 of OSC Rule 91-502 Trades in Recognized Options2394</p> <p>Chapter 3 Reasons: Decisions, Orders and Rulings (nil)</p> <p>3.1 OSC Decisions..... (nil)</p> <p>3.2 Director’s Decisions..... (nil)</p> <p>3.3 Court Decisions (nil)</p> | <p>Chapter 4 Cease Trading Orders 2405</p> <p>4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders..... 2405</p> <p>4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders 2405</p> <p>4.2.2 Outstanding Management & Insider Cease Trading Orders 2405</p> <p>Chapter 5 Rules and Policies (nil)</p> <p>Chapter 6 Request for Comments (nil)</p> <p>Chapter 7 Insider Reporting 2407</p> <p>Chapter 9 Legislation..... (nil)</p> <p>Chapter 11 IPOs, New Issues and Secondary Financings..... 2563</p> <p>Chapter 12 Registrations..... 2573</p> <p>12.1.1 Registrants..... 2573</p> <p>Chapter 13 SROs, Marketplaces, Clearing Agencies and Trade Repositories 2575</p> <p>13.1 SROs (nil)</p> <p>13.2 Marketplaces (nil)</p> <p>13.3 Clearing Agencies 2575</p> <p>13.3.1 CDS – Material Amendments to CDS Rules – Automatic and Discretionary Suspension – Notice of Commission Approval..... 2575</p> <p>13.4 Trade Repositories (nil)</p> <p>Chapter 25 Other Information (nil)</p> <p>Index..... 2577</p> |
|--|--|

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 **CSA Multilateral Staff Notice 51-349 Report on the Review of Investment Entities and Guide for Disclosure Improvements**

CSA Multilateral Staff Notice 51-349 *Report on the Review of Investment Entities and Guide for Disclosure Improvements* is reproduced on the following separately numbered pages. Bulletin pagination resumes at the end of the Notice.

This page intentionally left blank

CSA Multilateral Staff Notice 51-349
*Report on the Review of Investment Entities and
Guide for Disclosure Improvements*

March 16, 2017

Table of Contents

| | |
|--|----|
| 1. Introduction | 2 |
| 2. Application | 2 |
| 3. Executive Summary | 2 |
| 4. Background..... | 3 |
| 5. Overall Results | 6 |
| 6. Detailed Findings and Guidance | 7 |
| 6.1 Financial Statements | 7 |
| 6.2 Management’s Discussion & Analysis | 11 |
| 6.3 Annual Information Form | 13 |
| 6.4 Information Circular | 13 |
| 6.5 Insider Reporting | 15 |
| 6.6 Other Considerations..... | 16 |
| Conclusion..... | 16 |
| APPENDIX A..... | 18 |
| APPENDIX B..... | 19 |

1. Introduction

Staff from the securities regulatory authorities in Ontario, Saskatchewan and Alberta (**Staff or we**) provide this notice based on a targeted review conducted by the staff from the Ontario Securities Commission (**OSC Staff**).

OSC Staff recently reviewed the continuous disclosure provided by certain reporting issuers who determined they meet the definition of an investment entity under IFRS 10 *Consolidated Financial Statements* (**IFRS 10**), an emerging subsector of the financial services industry that is mainly concentrated in Ontario (the **Review**).

The Review identified several areas where disclosure could be improved and resulted in many disclosure changes to provide more fulsome information to investors. Overall, OSC Staff observed a wide range in the quality of disclosures provided by investment entities to comply with securities requirements.

This notice summarizes the findings of the Review and also sets out Staff's disclosure expectations and provides guidance to assist investment entities in meeting their ongoing continuous disclosure obligations.

2. Application

Reference to "investment entity" in this notice applies to reporting issuers that have determined they do not meet the definition of an investment fund under National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) and are therefore subject to the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**).

In addition to investment entities, some of the observations outlined in this notice may be applicable to non-investment entities that record investments at fair value and we expect these reporting issuers to also consider our findings.

3. Executive Summary

The Review considered compliance with several areas of securities legislation including:

- how reporting issuers met the definition of an investment entity in IFRS 10;
- fair value measurements and disclosures;
- sufficiency of disclosures to understand investment portfolio composition, investment performance, investment strategies and oversight and related risks; and
- disclosure provided by reporting issuers heavily concentrated in only a few investments.

The Review resulted in several outcomes as discussed in Section 5 of this notice. At a high level, we emphasize the following points to investment entities:

- the importance of fair value measurements and entity specific fair value disclosures in both the financial statements and the Management's Discussion & Analysis (**MD&A**) to help investors understand the performance of the investment entity and judgements made by management;
- with so much dependency on fair value, consider if external expertise is needed to determine fair value of private investments;

- in addition to fair value disclosures, there may be instances where additional investee specific financial information and operational disclosure is necessary to inform an investment decision;
- the unique financial reporting of investment entities does not preclude compliance with other securities requirements such as executive compensation disclosure, business acquisition disclosure and entity specific technical requirements; and
- this is an emerging area where market participants may need to look through the structure and look to other securities requirements for guidance. This notice provides examples of these instances and when investment entities should consider consultation with Staff to determine how specific securities requirements may apply to them.

We will continue to evaluate the disclosure and evolving profile of investment entities and consider the need for policy changes if we believe sufficient disclosure is not being provided to investors.

4. Background

What are the attributes of an investment entity?

To qualify as an investment entity for accounting purposes, a reporting issuer must meet the definition of an investment entity under IFRS 10 which was applicable to reporting issuers for fiscal years beginning on or after January 1, 2014. To meet this definition, a reporting issuer must:

- obtain funds from one or more investors for the purpose of providing those investors with investment management services;
- commit to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate the performance of substantially all of its investments on a fair value basis.

Except in limited circumstances as described in IFRS 10.32, an investment entity does not consolidate its subsidiaries. Instead, an investment entity measures an investment in a subsidiary at fair value through profit or loss.

Prior to the adoption of IFRS 10, reporting issuers considered Accounting Guideline 18 *Investment Companies (AcG 18)* in order to determine if they met the definition of an investment company for accounting purposes.

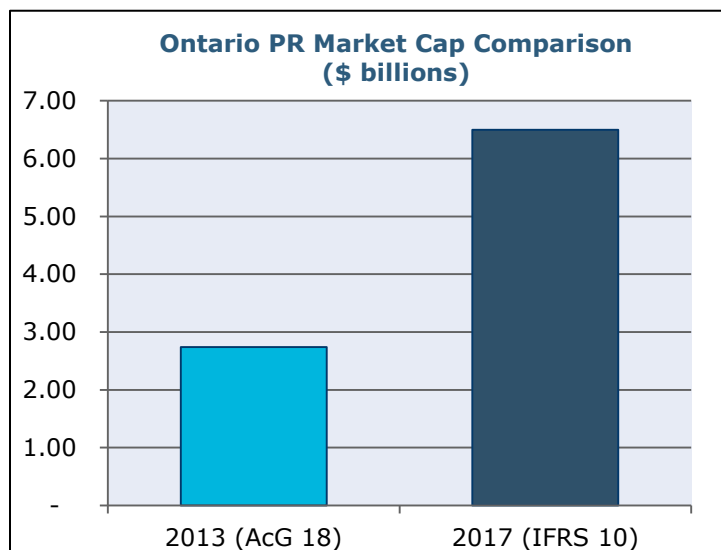
What is the difference between an "investment fund" and an "investment entity"?

One key difference is that an investment entity in the corporate finance regime¹ can hold a significant interest, including a controlling interest in an investee, which is generally precluded under the investment fund regime.

Both continuous disclosure regimes require annual and interim disclosure to investors. However, there are a number of specific differences in the disclosure and regulatory requirements under each regime.

¹ Reporting issuers in the corporate finance regime are subject to the requirements of NI 51-102, rather than the requirements of NI 81-106.

What is the reporting issuer population and what are the emerging trends?



There are approximately 18 reporting issuers that have disclosed they meet the definition of an investment entity under IFRS 10 and for which Ontario is principal regulator (**PR**). By comparison, there were 6 such reporting issuers when the AcG 18 rules were in effect.

The collective market capitalization of this subsector has increased substantially in recent years from \$2.7 billion under AcG 18 in 2013 to approximately \$6.5 billion (a 140% increase) presently under IFRS 10. Most investment entities in Ontario are currently listed on the TSX.

Factors contributing to this increase include:

- more reporting issuers have determined that they meet the definition of an investment entity since the adoption of IFRS 10, including reporting issuers who previously consolidated subsidiaries with operations in the resource, insurance and real estate industries;
- some reporting issuers have transitioned from the investment fund regime to the corporate finance regime with the introduction of additional requirements for non-redeemable investment funds that took effect on March 21, 2016; and
- recent initial public offering (**IPO**) activity in this sector.

OSC Staff have also seen other notable trends with this subsector including:

- a growing number of investment entities have few investments, or one investment that represents a significant portion of their portfolio;
- a larger percentage of portfolio holdings being comprised of investments in private companies;
- investment entities with investments in emerging markets;
- significant related party transactions; and
- larger market cap investment entities holding significant assets have been more common.

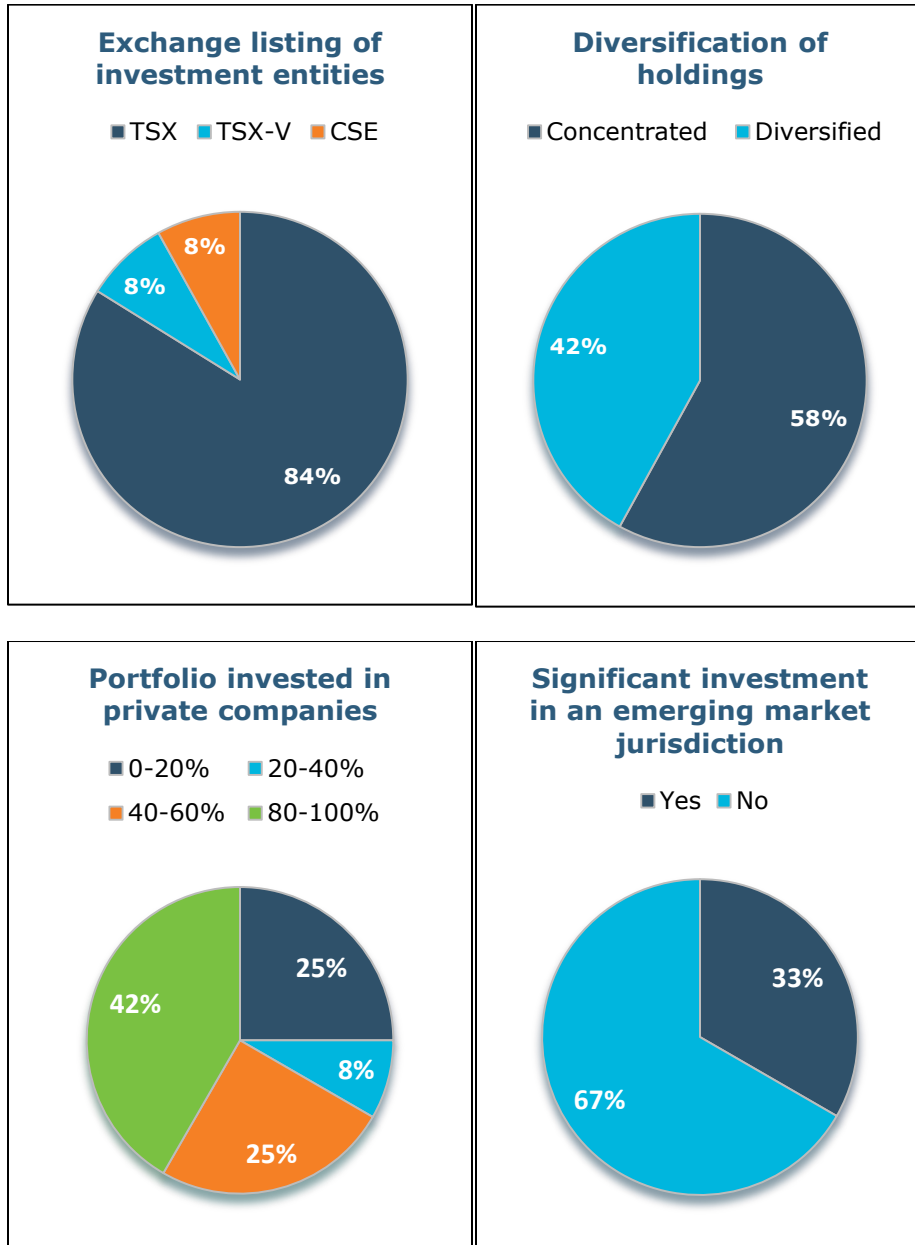
Both the growth and evolving profile in this subsector contributed to the initiation of the Review.

What was the purpose and scope of the Review?

OSC Staff examined the continuous disclosure record of 12 investment entities representing over 90% of the market capitalization of investment entities for which the OSC is PR. The sample consisted of investment entities of varying size and investment strategy.

The purpose of the Review was to improve disclosures in material areas, assess accounting areas which require the exercise of significant judgement, and to inform policy related issues given the attributes of this group of reporting issuers.

The following charts illustrate some key attributes of the investment entities reviewed:



Exchange listing of reporting issuers – the majority of investment entities are listed on the TSX. Of the 12 investment entities reviewed by OSC Staff, one was listed on each of the TSX-V and CSE.

Diversification of holdings – investment entities with concentrated holdings were considered those with a single investment that represented 20% or more of the fair value of their investment portfolio, excluding cash and cash equivalents, temporary investments and derivative instruments. Additionally, one third of investment entities reviewed by OSC Staff had a single investment that represented 40% or more of their investment portfolio.

Portfolio invested in private companies – over 40% of the investment entities reviewed by OSC Staff had invested over 80% of their portfolio in private companies, often resulting in a fair value measurement categorized within level 3 of the fair value hierarchy, and for which information is not publically available.

Significant investment in an emerging market jurisdiction – one third of investment entities reviewed by OSC Staff had a significant investment located in an emerging market jurisdiction.

5. Overall Results

The tables below summarize the outcomes of the 12 reviews. A review may have multiple outcomes.

Overall, the findings were disappointing. Five of the 12 reviews (42%) resulted in the investment entity being placed on the OSC Refilings and Errors List² for material disclosure non-compliance issues. Deficiencies included:

| Area of disclosure | Reason for placement on the Refilings and Errors List |
|-------------------------------|--|
| MD&A | <ul style="list-style-type: none"> ➤ insufficient discussion of the investment entity's operations, investments (including portfolio changes) and risks ➤ prominence of non-GAAP measures in the MD&A |
| Annual Information Form (AIF) | <ul style="list-style-type: none"> ➤ lack of specific risks and operational information regarding the investment entity's significantly concentrated investments or investments in emerging markets ➤ material contracts disclosure was not included |
| Corporate governance | <ul style="list-style-type: none"> ➤ executive compensation, corporate governance or audit committee disclosure was not included in the investment entity's filings |
| Material contracts | <ul style="list-style-type: none"> ➤ material contracts not filed |
| Technical disclosure | <ul style="list-style-type: none"> ➤ a technical report was not filed to support the disclosure of mineral reserves and resources |

In addition, the reviews resulted in many prospective disclosure enhancements. Some of the areas OSC Staff requested prospective changes included:

| Area of disclosure | Prospective enhancement |
|----------------------|--|
| Financial statements | <ul style="list-style-type: none"> ➤ changes to the valuation approach for investments in private companies ➤ fair value disclosures for investments in private companies ➤ related party transaction disclosure ➤ further disclosure of portfolio composition |
| MD&A | <ul style="list-style-type: none"> ➤ enhanced analysis of fair value changes and valuation methodologies ➤ trends and risks for material investments ➤ related party transactions and management company fee disclosure ➤ summary financial information for significantly concentrated investments |
| AIF | <ul style="list-style-type: none"> ➤ more detailed disclosure for investment selection and criteria, related party transactions, corporate structure, investee specific risk factors and material contracts |
| Information circular | <ul style="list-style-type: none"> ➤ enhanced disclosure for management contracts and executive compensation |

² This list is available on the OSC website at: http://www.osc.qov.on.ca/en/Investors_refilings-errors-list.htm

Other notable outcomes included:

- the filing of insider and early warning reports not previously filed;
- changes to internal insider reporting policies.

6. Detailed Findings and Guidance

The findings were primarily focused on the following areas:

6.1 Financial Statements

Investment Entity Criteria

Further information was requested when it was not clear from an investment entity's disclosure how it met the definition of an investment entity in IFRS 10. For example:

- When an investment entity appeared to have significant involvement with an investee at an operational level, particularly in instances where its portfolio was significantly concentrated, OSC Staff questioned whether the purpose of the investment was made solely for returns from capital appreciation, investment income, or both. An investment entity may provide management services, strategic advice, and financial support to an investee; however, these activities must not represent a separate substantial business activity or a separate substantial source of income.
- When significant investments were carried at their original cost (i.e. the transaction cost) or when disclosure of the investment entity's determination of the fair value of an investment was limited, it was unclear whether fair value was the primary basis on which the investment entity measures and evaluates the performance of substantially all of its investments.
- When an investment entity's exit strategies were unclear from the review of the reporting issuer's disclosure record.

OSC Staff would also raise questions if an investment entity's portfolio was primarily based on one investment for a period of more than one year and it was unclear whether there was an investment plan in place that could result in the acquisition of several investments in the near term to diversify the investment entity's risk and maximize its returns.

Based on the responses provided, OSC Staff did not object to a reporting issuer's determination that they met the definition of an investment entity in IFRS 10. However, the information received prompted additional requests for enhanced disclosure in certain areas, including MD&A and AIF disclosure to assist investors in understanding the operations and risk profile of the investment entity. The notice addresses these issues further in sections 6.2 and 6.3.

Additional Consideration - Significant Judgements

Management's determination that a reporting issuer has met the definition of an investment entity often requires significant judgement, in particular when one or more of the typical characteristics of an investment entity (as described in IFRS 10.28) are not present.

Disclosure of such significant judgements, as required generally by IAS 1 *Presentation of Financial Statements* and specifically by IFRS 12 *Disclosure of Interests in Other Entities* should include entity specific disclosure of the judgements made, including why the reporting issuer ultimately determined it met the definition of an investment entity.

Disaggregation of Investment Portfolio

Investment funds subject to NI 81-106 are required to provide a statement of investment portfolio as part of its financial statements disclosing the investee name, cost and fair value for each investment held. While not an IFRS requirement, OSC Staff were encouraged that the majority of investment entities in the Review provided this disclosure in their financial statements, or in certain instances, in their MD&A. Where investment entities aggregated their investment portfolio by industry, geography or other categorization, OSC Staff requested further disclosure by investment, similar to the disclosure provided by investment funds.

The investment portfolio should be presented with sufficient disaggregation and transparency to allow an investor to understand the key characteristics of the portfolio composition including the associated risks and the drivers of any change in fair value. Given the nature of an investment entity's business and the importance of understanding the investment portfolio, we believe this objective is best met by disclosing a statement of investment portfolio. This disclosure also helps investment entities meet their MD&A requirements to provide a meaningful analysis of its performance and trends during the period. The following example illustrates useful disclosure of an investment entity's investment portfolio:

EXAMPLE 6.1(a) – sufficiently disaggregated investment portfolio:

| Name | Investment type | % | Location | Average cost | Fair value 2016 | Fair value 2015 |
|--------------|------------------------|-----|----------|--------------|-----------------|-----------------|
| Investment A | Common shares | 52% | Canada | \$14m | \$9m | \$5m |
| Investment B | Convertible debentures | 20% | Chile | \$5m | \$6m | \$6m |
| Investment C | LP units | 15% | Japan | \$2m | \$2.5m | \$1.5m |

Disaggregation of Fair Value Gains / Losses

OSC Staff raised comments to understand the components of fair value gains or losses reported on the statement of comprehensive income. When both realized and unrealized fair value gains or losses were presented in the same financial statement line item, OSC Staff requested investment entities to provide supplemental disclosures in the financial statements that clearly reconcile the balance. Staff would expect this disclosure to include the amount that relates to the reversal of previously unrealized fair value gains or losses. For this disclosure, a tabular reconciliation was the most useful. This disclosure assists investors in understanding what portion of the realized gains or losses presented relates to a reversal of unrealized gains or losses previously recorded, and what portion of the unrealized gain or loss relates to the remaining portfolio.

The following example illustrates useful disclosure of the components of an investment entity's fair value gains or losses:

| EXAMPLE 6.1(b) – useful disaggregation of fair value gains or losses: | |
|---|-------------|
| Net gain on investments | 2016 |
| Net realized gain on investments | \$100 |
| Reversal of previously recorded unrealized gain on investments (triggered in connection with the sale of investments) | (125) |
| Change in unrealized gain on investments held at period end | 50 |
| Change in unrealized foreign exchange gain on investments | 10 |
| Net gain on investments for the period | \$35 |

Fair Value Measurements³

When a specific valuation technique used to determine fair value appeared inconsistent with the objective of fair value measurement⁴, OSC Staff raised comments and questioned the appropriateness of such a valuation technique.

For example, non-independent transaction prices may not be representative of fair value. Additionally, the use of an independent transaction price may not be appropriate after a period of time has elapsed that has rendered the transaction price no longer representative of current fair value. In these instances, we are of the view that use of a separate valuation technique (for example, a discounted cash flow) is necessary to determine the fair value of the investment.

Investment entities and non-investment entities that record investments at fair value should also consider whether management has the necessary expertise to perform a valuation of its investments, particularly when the investment entity holds significant investments which are subject to a fair value measurement categorized within level 3 of the fair value hierarchy. Staff encourage consideration of the use of independent valuation experts where appropriate.

Fair Value Disclosures

As noted above, the majority of the investment entities reviewed have significant investments in private entities, with 40% of the reporting issuers reviewed disclosing investments in private entities that represent greater than 80% of their investment portfolio. The fair value measurements for such investments are inherently subject to a greater degree of management estimation due to the lack of observable inputs, and therefore additional disclosures are required by IFRS 13 *Fair Value Measurement* (**IFRS 13**).

IFRS 13.91 recognizes that disclosures of fair value measurements should help users of financial statements assess (a) the valuation techniques and inputs used to develop the fair value measurements; and (b) for recurring fair value measurements using significant level 3 inputs, the effect of the measurements on profit/loss or other comprehensive income.

³ For additional observations on fair value measurements and disclosures, please refer to OSC Staff Notice 52-723 *Office of the Chief Accountant Financial Reporting Bulletin* (November 2016) which can be found on the OSC website at: http://www.osc.gov.on.ca/en/SecuritiesLaw_sn_20161124_52-723_financial-reporting-bulletin.htm

⁴ The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

Significant variance was observed in the level of detail provided for fair value disclosures across investment entities. While some investment entities provided very detailed disclosures, others provided disclosure that was generic or vague making it less useful for investors. For example:

- IFRS 13.93(d) requires, among other things, a description of the valuation technique(s) and the inputs used for fair value measurements categorized within level 2 or level 3 of the fair value hierarchy. Some investment entities did not provide this information.
- IFRS 13.93(g) requires a description of the valuation processes used by the entity for fair value measurements categorized within level 3 of the fair value hierarchy. Some investment entities provided boilerplate disclosure that did not describe their valuation processes in sufficient detail for an investor to understand the processes, including the level of rigour and sophistication that the fair value measurements are subject to.
- IFRS 13.93(h) requires a narrative description of the sensitivity of the fair value measurement categorized within level 3 of the fair value hierarchy to changes in significant unobservable inputs. Some investment entities failed to provide this required disclosure, despite its particular importance when an entity has a significant investment in a private company.

To help contextualize some of the disclosure requirements in IFRS 13, the table in **Appendix A** provides some disclosure considerations that investment entities and non-investment entities that record investments at fair value may find useful.

Below are illustrative examples of useful entity specific disclosures with specific reference to IFRS 13.93(d) and IFRS 13.93(h).

EXAMPLE 6.1(c) – useful description of unobservable inputs for IFRS 13.93(d):

The Company determines the fair value of Investment E, a real estate company, using the net present value of estimated future cash flows. The most significant unobservable inputs to this calculation are the estimated rental revenue cash inflows (\$7.5 million annually), growth rate (1.5%), and discount rate (12%). The estimated rental revenue cash inflows are based on the type, quality and location of Investment E’s properties and are supported by either existing rental agreements or current external market data. Growth rates are based on external market forecasts for Investment E’s real estate sectors (office and residential), and discount rates are reflective of current market risks and uncertainties.

EXAMPLE 6.1(d) – useful sensitivity disclosure for IFRS 13.93(h):

| Investment | Unobservable input | Value of input used in valuation | Reasonable potential increase/decrease | Impact on fair value of increase/decrease |
|--------------|--------------------|----------------------------------|--|---|
| Investment A | Gold spot price | \$1,300 USD/oz | +/- X | +/- \$X |
| | Discount rate | 13.5% | +/- X | +/- \$X |
| Investment B | Revenue multiple | 3x | +/- X | +/- \$X |
| | USD/CAD FX rate | 1.35 | +/- X | +/- \$X |

6.2 Management’s Discussion & Analysis

Analysis of Changes to Fair Value and Investment Portfolio Changes

Fair value disclosures are significant in both the understanding of the performance of the investment entity and often the related management and performance fees paid or accrued by an investment entity. To meet the requirements of Item 1.2 – Overall Performance and Item 1.4 – Discussion of Operations of Form 51-102F1 Management’s Discussion & Analysis (Form 51-102F1), the MD&A must provide sufficient disclosure about the investment entity’s material investments and portfolio changes.

OSC Staff raised comments where an investment entity’s discussion of the performance of its investment portfolio did not provide enough disclosure to understand:

- material changes to the composition of the investment portfolio (i.e. what specific investments have been purchased/sold or have resulted in unrealized gains and losses during the period); and
- the key drivers of significant fair value changes by investment.

In many cases, the investment entity’s disclosure was not granular enough for investors to have a clear understanding of why fair value changed for specific private investments and the risks and trends in its investment portfolio.

Staff expect investment entities and non-investment entities that record investments at fair value to provide a fulsome analysis in the MD&A of the financial and operational trends for material investments which led to the current determination of fair value.

EXAMPLE 6.2(a) – deficient disclosure of fair value changes

- does not discuss specific investments
- does not explain key drivers for fair value changes

The Company recognized a realized loss on its corporate investments of \$4 million and an unrealized gain of \$6 million for the fiscal year ended December 31, 2016. The realized loss was attributable primarily to an investment in the technology sector, while the unrealized gain recorded in the current period was due to increases in the fair value of the Company’s investments in the manufacturing sector.

EXAMPLE 6.2(b) – enhanced disclosure of fair value changes

- discusses how investment is valued
- explains key inputs and why fair value changed

The Company recognized a realized loss on its corporate investments of \$4 million and an unrealized gain of \$6 million for the fiscal year ended December 31, 2016.

The Company's realized loss of \$4 million was due primarily to the sale of 1,000,000 common shares of Investment B on October 31, 2016, on which the Company recognized a \$3.8 million loss.

The unrealized gain was due primarily to an increase in the fair value of Investment A. The Company determined the fair value of Investment A at December 31, 2016 based on the net present value of estimated future cash flows to be \$15 million (an increase of \$5.5 million from the prior period). The increase in fair value was due to an increase in the estimated future cash flows as a result of the performance of Investment A in the current period, which accounted for a \$4 million increase in fair value, as well as a favorable movement in the USD to CAD foreign exchange rate that increased the fair value of Investment A by \$1.5 million.

Specifically, the revenues and gross margin of Investment A increased significantly for the year ended December 31, 2016. Investment A entered a new geographic market in the Southern U.S. in April which resulted in a 20% increase in sales year over year. Investment A also began outsourcing the production of its principal product, which increased margins year over year by 4%.

Disclosure for Significantly Concentrated Investments

One third of the investment entities reviewed had a single investment that represented 40% or more of their portfolio. Where such a significant concentration exists, Staff expect sufficient disclosure about the investment to enable investors to evaluate the performance, operations and risks of the investee. This is of particular importance when the investee is private and disclosure is not otherwise available to investors.

For example, NI 51-102 requires summarized financial information of an investment for reporting issuers with significant equity investees. For investment entities and non-investment entities that record investments at fair value, we are of the view that this information may be reflective of the minimum disclosure necessary for significantly concentrated investments generally and can assist in understanding management's judgements in arriving at fair value.

Most investment entities in the Review sample provided some financial and operational information for their significantly concentrated investments in the MD&A. OSC Staff requested summarized financial information be included in the MD&A when it had not been provided, along with a discussion of those results. OSC Staff also requested further disclosure on the risks and operations of concentrated investments in certain instances when such risks could materially impact the investment entity.

OSC Staff found that the above information was often available to the investment entity as part of its investee monitoring process. We recognize that investment entities may have a concentrated investment for which it does not have direct access to the investee's information. Investment

entities that do not have a diversified investment portfolio should consider the need for access to operational and financial investee information upon acquisition.

We may have similar policy concerns and request standalone financial statements as contemplated by National Policy 41-201 *Income Trust and Other Indirect Offerings* where an investment entity's operations are dependent on a single investment and current disclosures are not sufficient for an investor to make an informed investment decision. Investment entities and non-investment entities that record investments at fair value are encouraged to consult with Staff in this circumstance.

Related Party Transactions

Many investment entities have complex corporate structures, related management companies, and/or other significant related party agreements. Form 51-102F1 requires a discussion of all transactions between related parties as defined by the reporting issuer's generally accepted accounting principles (GAAP).

Many investment entities have a complex management fee structure including ongoing fees and performance based fees. As management fees can be one of the largest expenses of an investment entity, we expect this fee structure and the amounts paid or accrued in the current period to be disclosed in detail in the MD&A. In certain corporate structures where investors receive distributions, the impact of fees on cash flows from operating activities and distributions should also be specifically discussed in the MD&A.

6.3 Annual Information Form

Investment strategies, the investment and management fee structure, and investment specific risk factors are important in understanding the operations and risk profile of an investment entity or a non-investment entity that records investments at fair value. The Review found that:

- the majority of investment entities provided fairly detailed disclosure of its investment policies and oversight, however, some investment entities provided limited disclosure;
- some investment entities with concentrated investments did not provide sufficient investee specific risk factors, including investment entities with investments in emerging markets; and
- in a few instances, more disclosure was required to better understand the investment entity's corporate and management fee structure.

The table in **Appendix B** provides guidance to illustrate industry specific disclosures consistent with certain requirements of Form 51-102F2 *Annual Information Form (Form 51-102F2)*.

6.4 Information Circular

Executive Compensation Disclosure

In the Review, it was observed that many investment entities have executive management services provided by an external management company (an **External Manager**). Item 1.3(4) of Form 51-102F6 *Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008) (51-102F6)* and Item 2.2 of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers (51-102F6V)* requires disclosure of compensation paid to a reporting issuer's named executive officers or NEOs (as defined in 51-102F6) (**NEOs**), employed or retained by an External Manager.

Where NEOs were paid a salary by the investment entity or the External Manager, OSC Staff found that investment entities were generally disclosing the compensation paid to NEOs. However, it was also observed that compensation to NEOs may be deferred or provided in a manner other than in the form of wages. An illustrative example is where a NEO is also the owner of, or otherwise holds an equity position in, the External Manager. As a result, OSC Staff found certain investment entities disclosing no compensation having been paid to its NEOs, although the investment entity paid a management fee to the External Manager for services that would include the provision of executive management services.

The provisions of 51-102F6 and 51-102F6V are intended to capture the wide variety of ways in which the form, timing and manner of compensation can be made. Investment entities and their boards of directors should make every attempt to allocate what they view to be the portion of the management fee attributable to the services provided by their NEOs, regardless of how compensation is paid.

EXAMPLE 6.4(a) – deficient executive compensation disclosure

- does not identify NEOs
- no compensation disclosed for NEOs

The Company paid \$2,000,000 to the Manager under the Management Agreement for the year ended December 31, 2016. The Company’s officers are not employees of the Company. The services of the Company’s officers are provided pursuant to the Management Agreement.

EXAMPLE 6.4(b) – enhanced executive compensation disclosure

- provides an allocation of the management fee for NEO services

| Name | Year | Salary (\$) | Share-based awards (\$) | Non-equity incentive plan compensation (\$) | Pension value (\$) | All other compensation (\$) | Total (\$) |
|------|------|-------------|-------------------------|---|--------------------|-----------------------------|------------|
| CEO | 2016 | 300K | Nil | Nil | Nil | Nil | 300K |
| CFO | 2016 | 250K | Nil | Nil | Nil | Nil | 250K |

The Company paid \$2,000,000 to the Manager under the Management Agreement for the year ended December 31, 2016. The services of the CEO and CFO are provided pursuant to the Management Agreement. The salary of the CEO and CFO reflect an allocation of the management fee attributable to the services of the CEO and CFO based on the estimated fair value of such services.

Management Contracts

In the Review, it was noted that many investment entities have an external investment manager that provides investment management or advisory services to the investment entity (an **Investment Manager**).

In light of an investment entity's overall business being generally the investment of funds for capital appreciation, investment income and other returns, OSC Staff may take the view that an Investment Manager is performing a substantial management function of the investment entity, depending on the services and authority that the Investment Manager had with respect to the investment decisions of the investment entity. For example, where an Investment Manager exercised significant discretion in selecting and executing upon investments for an investment entity's portfolio, OSC Staff took the view that it was providing a substantial management function of the investment entity.

In such cases, an investment entity should be aware of the disclosure requirements relating to the agreement entered into with its Investment Manager, particularly with respect to the filing of material contracts under Part 12 of NI 51-102 and disclosure under Item 13 of Form 51-102F5 - *Information Circular*.

6.5 Insider Reporting

The operations of an investment entity may result in certain insider reporting considerations. While the majority of the reviews did not identify insider reporting non-compliance, OSC Staff did observe the following:

- Not all investment entities considered their Investment Managers to be reporting insiders under NI 55-104 *Insider Reporting Requirements and Exemptions (NI 55-104)*. Subparagraph (f) to the definition of "reporting insider" (**Subparagraph (f)**) includes a management company (including its directors, certain executives and significant shareholders) that provides significant management or administrative services to the investment entity or a major subsidiary. In light of an investment entity's overall business (as described above) and the role performed by an Investment Manager in such business, OSC Staff have taken the view that an Investment Manager is a reporting insider pursuant to Subparagraph (f).
- Insider and early warning reports were not filed for certain investment holdings.

Additional Insider Reporting Considerations – Concentrated Investments

Investment entities with significantly concentrated investments should also consider whether the investee and/or its officers or directors are reporting insiders under the definition of "reporting insider" of NI 55-104. We encourage reporting issuers to adopt internal policies prohibiting trading by insiders of material investees in the securities of the reporting issuer while in the possession of material undisclosed information about such investee entities.

6.6 Other Considerations

Investment Entity Reporting Issuers with Material Mining or Oil and Gas Investments

Investment entities with material mining or oil and gas investments need to consider the applicability of technical disclosure requirements in NI 43-101 *Standards of Disclosure for Mineral Projects (NI 43-101)* and NI 51-101 *Standards of Disclosure for Oil and Gas Activities* in their filings.

For example, the disclosure of technical information relating to a material investee may trigger the requirement to file a technical report under NI 43-101. In addition, if the investment entity files an AIF, disclosure requirements of Item 5.4 – *Companies with Mineral Projects* or Item 5.5 – *Companies with Oil and Gas Activities* of Form 51-102F2 may apply.

Investment entities are encouraged to consult Staff if there is uncertainty relating to the applicability of the above requirements.

Prospectus Pre-Filing Matters

IPOs of investment entities may raise disclosure and regulatory policy concerns when the investment entity has few investments or when the net proceeds of the offering are largely unallocated. We recommend submitting a pre-filing application to address these issues with Staff in advance of the filing of a preliminary prospectus.

Conclusion

In Ontario, we have seen an increase in the number of reporting issuers that have determined they are an investment entity under IFRS 10 and therefore, except in limited circumstances, measure substantially all of their investments at fair value through profit and loss, including investments in subsidiaries. While some investment entities have provided detailed disclosures in continuous disclosure filings, improvements were required in many areas to provide sufficient disclosure to investors. Investment entities must ensure investors are receiving complete and transparent information about their underlying investments to make informed investment decisions.

Companies considering an IPO or a change in business to become an investment entity should carefully consider the disclosure requirements detailed above and the guidance in this notice to assist them with meeting the regulatory requirements following the adoption of the investment entity provisions of IFRS 10.

We will continue to evaluate the disclosure of our reporting issuers that are investment entities and will consider the need for policy changes if we believe these reporting issuers are not providing sufficient disclosure to their investors.

Questions

Please refer your questions to any of the following people:

Ontario Securities Commission

Sonny Randhawa
Deputy Director, Corporate Finance
(416) 204-4959
srandhawa@osc.gov.on.ca

Mark Pinch
Associate Chief Accountant, Office of the Chief Accountant
(416) 593-8057
mpinch@osc.gov.on.ca

Jodie Hancock
Senior Accountant, Corporate Finance
(416) 593-2316
jhancock@osc.gov.on.ca

Tamara Driscoll
Accountant, Corporate Finance
(416) 596-4292
tdriscoll@osc.gov.on.ca

Steven Oh
Legal Counsel, Corporate Finance
(416) 595-8778
soh@osc.gov.on.ca

Financial and Consumer Affairs Authority of Saskatchewan

Tony Herdzik
Deputy Director, Corporate Finance
(306) 787-5849
tony.herdzik@gov.sk.ca

Alberta Securities Commission

Cheryl McGillivray
Manager, Corporate Finance
(403) 297-3307
cheryl.mcgillivray@asc.ca

APPENDIX A FAIR VALUE MEASUREMENT DISCLOSURE CONSIDERATIONS

| IFRS 13 Requirement ⁵ | Disclosure Considerations |
|---|---|
| <p>Description of valuation processes</p> <p>IFRS 13.93(g)</p> | <ul style="list-style-type: none"> ➤ Who is responsible for determining and reviewing fair value measurements? Does the investment entity have a valuation committee? ➤ What is the role of the board of directors and the audit committee in fair value measurements? ➤ Does the investment entity engage the services of an independent valuation expert? |
| <p>Description of valuation techniques and inputs</p> <p>IFRS 13.93(d)</p> | <ul style="list-style-type: none"> ➤ When comparable companies are considered in the fair value analysis, how does management determine which companies are considered comparable? ➤ When recent transaction prices are utilized, what did management consider to be "recent"? At what time would management determine that a transaction price was outdated and therefore not reflective of current fair value? ➤ How does management consider other relevant factors such as investee performance to plan, general industry conditions, funding availability and liquidity discounts in its valuation? |
| <p>Quantitative information about significant unobservable inputs</p> <p>IFRS 13.93(d)</p> | <ul style="list-style-type: none"> ➤ Is disclosure detailed enough to understand the use of discount rates, valuation multiples, expected volatility, discounts for lack of marketability and how they are derived? ➤ Does the disclosure of an input that is used in the valuation of multiple investments (such as a discount rate) have a wide range that suggests information is not sufficiently disaggregated by investment? |
| <p>Disclosures for each class of assets</p> <p>IFRS 13.93 & 94</p> | <ul style="list-style-type: none"> ➤ Does the investment entity's determination of asset classes give adequate consideration to the nature, characteristics and risks of its investment portfolio? ➤ Do risks differ by industry or stage of development of the investee resulting in additional disaggregation being useful? |
| <p>Description of sensitivity to changes in unobservable inputs</p> <p>IFRS 13.93(h)</p> | <ul style="list-style-type: none"> ➤ Would a change in unobservable inputs result in a materially different fair value measurement? ➤ What are the interrelationships between unobservable inputs used in the fair value measurement? How would those interrelationships magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement? |

⁵ IFRS 13.93(d) is applicable to fair value measurements categorized within level 2 or level 3 of the fair value hierarchy, while IFRS 13.93(g) and (h) are applicable only to those categorized within level 3.

APPENDIX B
DISCLOSURE GUIDANCE TO MEET THE REQUIREMENTS OF FORM 51-102F2

| Form 51-102F2 Requirement | Disclosure Considerations |
|--|---|
| Corporate Structure <i>Item 3 of Form 51-102F2</i> | <ul style="list-style-type: none"> ➤ Does disclosure also provide an understanding of the investment entity’s investment structure and fees with entities that provide management or advisory services? |
| Description of Business <i>Item 5.1 of Form 51-102F2</i> | <p><u>Investment Strategies and Oversight:</u></p> <ul style="list-style-type: none"> ➤ What are the criteria used for investment selection? Are there targets or restrictions by geography, industry, stage of development or type of security? ➤ What is the time horizon for investments and how are investments anticipated to be realized? ➤ What is the investment entity’s involvement with investee companies? Is there involvement on the board of directors of investee companies? ➤ What processes does the investment entity have to monitor ongoing performance? What information is reviewed by the investment entity? ➤ Who is on the investment committee and what are the key responsibilities of the committee? ➤ What is the role of an Investment Manager vs the investment entity? ➤ What is the role of the board of directors in approving investment purchases, sales and valuations? <p><u>Concentrated Investments</u></p> <ul style="list-style-type: none"> ➤ What information is required to understand the operations and industries of significant and material investees? |
| Risk Factors <i>Item 5.2 of Form 51-102F2</i> | <ul style="list-style-type: none"> ➤ What are the key risks related to the reporting issuer’s investment strategy? Is concentration risk, currency risk or valuation risk related to investments in private companies adequately disclosed? ➤ Does the investment or fee structure result in conflicts of interest? How is this risk mitigated? ➤ What are the risks of the industries that the investment entity significantly invests in? ➤ For concentrated investments, what are the key risks of the investee? ➤ What are the regulatory, legal and economic risks of investing in companies that operate in emerging markets? |
| Material Contracts <i>Item 15 of Form 51-102F2</i> | <ul style="list-style-type: none"> ➤ Are agreements to provide management or investment services included as material contracts? ➤ Are agreements with significant investees and credit agreements considered to be material contracts? |

1.5 Notices from the Office of the Secretary

1.5.1 Krishna Sammy

**FOR IMMEDIATE RELEASE
March 9, 2017**

**IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5**

AND

**IN THE MATTER OF
A REQUEST FOR A HEARING AND REVIEW OF
THE DECISION OF A HEARING PANEL OF
THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA**

AND

**IN THE MATTER OF
KRISHNA SAMMY**

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

1. Commission Staff and IIROC Staff shall serve and file responding written submissions by no later than 4:30 p.m. EDT on March 31, 2017;
2. Sammy shall serve and file reply submissions, if any, by no later than 4:30 p.m. EDT on April 7, 2017;
3. the hearing of the Application for Hearing and Review shall commence on May 3, 2017, at 10:00 a.m. EDT.

A copy of the Order dated March 8, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.2 Mark Steven Rotstein and Equilibrium Partners Inc.

**FOR IMMEDIATE RELEASE
March 9, 2017**

**IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5**

AND

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

TORONTO – The Commission issued an Order in the above named matter which provides that the final interlocutory appearance is adjourned to a date to be fixed by the Secretary's Office.

A copy of the Order dated March 9, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

This page intentionally left blank

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Total S.A.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus and dealer registration requirement in respect of certain trades of securities in connection with employee share offerings by a French issuer – The offerings will involve 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 Exemptions or the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations as the shares are not being offered to Canadian employees directly by the issuer, but through the FCPEs – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – The employee share offering plan involving a swap element is limited to leverage of four times the initial investment of the employee – Relief granted, subject to conditions and a 5 year sunset clause.

Applicable Legislative Provisions

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

Citation: Re Total S.A., 2017 ABASC 37

March 6, 2017

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
TOTAL S.A.
(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:

1. an exemption from the prospectus requirement (**Prospectus Relief**) with respect to each distribution of:
 - (a) a unit of FCPE Total Actionnariat International Relais 2017 (the **Intermediary Fund**) pursuant to the global employee share offering of the Filer for 2017 (the **Current Employee Offering**) to or with an employee of a Canadian related entity of the Filer (a **Canadian Related Entity**), including, Atotech Canada Ltd., Hutchinson Aéronautique et Industrie Limitée, Total Canada Inc., Total E&P Canada Limited and Total Trading and Marketing Canada, who is on the payroll of a Canadian Related Entity at the end of the subscription period for

the Current Employee Offering and who has been employed thereby at the closing of the subscription period and for at least a specified minimum period prior thereto (a **Qualified Canadian Participant**);

- (b) a unit of TAIC COMPARTIMENT A subfund of the Total Actionnariat International Capitalisation fund (the **Classic Fund**, and together with the Intermediary Fund, the **Classic Funds**) to or with a Qualified Canadian Participant;
- (c) a unit of Total Intl B Capital + 2017 subfund of the Total Intl Capital fund (the **+Fund**) to or with a Qualified Canadian Participant;
- (d) a unit of the Classic Fund that is created as a result of the merger of the Intermediary Fund with the Classic Fund whereby Qualified Canadian Participants' units in an Intermediary Fund are exchanged for units of the Classic Fund;
- (e) a unit of either of the Classic Funds that a Qualified Canadian Participant receives by virtue of any dividend paid on the common shares of the Filer (the **Shares**) held in either of the Classic Funds for Qualified Canadian Participants that results in the subsequent issuance of additional units of either of the Classic Funds to a Qualified Canadian Participant;
- (f) a unit of either of the Classic Funds by a Qualified Canadian Participant to either of the Classic Funds, or a Share by either of the Classic Funds to a Qualified Canadian Participants, upon the redemption of units by a Qualified Canadian Participant;
- (g) a unit of the +Fund by a Qualified Canadian Participant to the +Fund, or a Share by the +Fund to a Qualified Canadian Participant, upon the redemption of units of the +Fund by a Qualified Canadian Participant;
- (h) a unit of the Classic Fund that a Qualified Canadian Participant receives by virtue of any merger of the +Fund with the Classic Fund; and
- (i) a unit distributed in connection with a Subsequent Employee Offering (as described below and, together with the Current Employee Offering, an **Employee Offering**);

2. an exemption from the dealer registration requirement (**Registration Relief**, and together with the Prospectus Relief, the **Exemptive Relief Sought**) in respect of each of the Filer, the Canadian Related Entities, the Classic Funds, the +Fund and the respective manager from time to time of each of the Classic Funds and the +Fund (the **Manager**), with respect to each trade of:

- (a) a unit of the Intermediary Fund for the Current Employee Offering to or with a Qualified Canadian Participant;
- (b) a unit of either of the Classic Funds to or with a Qualified Canadian Participant;
- (c) a unit of the +Fund to or with a Qualified Canadian Participant;
- (d) a unit of the Classic Fund that is created as a result of the merger of any Intermediary Fund with the Classic Fund whereby Qualified Canadian Participants units in an Intermediary Fund are exchanged for units of the Classic Fund;
- (e) a unit of either of the Classic Funds that a Qualified Canadian Participant receives by virtue of any dividend paid on the Shares held in the Classic Funds for Qualified Canadian Participants that results in the subsequent issuance of additional units of either of the Classic Funds to a Qualified Canadian Participant;
- (f) a unit of the Classic Fund that a Qualified Canadian Participant receives by virtue of any redemption of units of the +Fund for units of the Classic Fund;
- (g) a unit of the Classic Fund that a Qualified Canadian Participant receives by virtue of any merger of the +Fund with the Classic Fund; and
- (h) a unit distributed in connection with a Subsequent Employee Offering.

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 subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Québec; 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 National Instrument 14-101 *Definitions* or in MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

In this decision, **related entity** has the same meaning given to such term in section 2.22 of National Instrument 45-106 *Prospectus Exemptions*.

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.
2. The Shares are listed on the Euronext Paris Eurolist and on the New York Stock Exchange (in the form of American Depositary Shares).
3. The Filer is not and has no current intention of becoming a reporting issuer under the securities legislation in any of the jurisdictions of Canada.
4. Each of the Canadian Related Entities 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 securities legislation in any of the jurisdictions of Canada.
5. Neither the Filer nor any of its Canadian Related Entities is in default of securities legislation in any of the jurisdictions of Canada.
6. Qualified Canadian Participants will be invited to participate in an Employee Offering under the terms of two subscription options: the “classic plan” (the **Classic Plan**) and the “capital + plan” (the **Capital + Plan**), both intended to provide Qualified Canadian Participants with an opportunity to indirectly hold an investment in the Shares.
7. Each subsequent offering (**Subsequent Employee Offering**) to employees of a Canadian Related Entity or an entity that is directly or indirectly controlled by the Filer will be similar to the Current Employee Offering, with each of the representations in paragraphs 3 through 5, 8, 9, 11 through 20, and 24 through 35 hereof being applicable (save for the identities of particular special-purpose entities).
8. The Employee Offerings will be made only to employees of the Filer, of the Canadian Related Entities or of other entities directly or indirectly controlled by the Filer.
9. Only participants in an Employee Offering are allowed to hold units of the Classic Funds and the +Fund.
10. For the Current Employee Offering, there are approximately 393 Qualified Canadian Participants resident in Canada (approximately 265 in Québec, 39 in Ontario and 89 in Alberta) who represent in aggregate less than 0.40% of the Filer’s employees worldwide.
11. Qualified Canadian Participants will not be induced to participate in an Employee Offering by expectation of employment or continued employment. Participation in an Employee Offering is optional. The total cumulative amount invested by a Qualified Canadian Participant in an Employee Offering under both plans cannot exceed a specified percentage (currently 25%) of his or her estimated gross annual remuneration or allocations for the calendar year in which an Employee Offering occurs.
12. Qualified Canadian Participants can complete a subscription form during a prescribed subscription period indicating the amount they wish to invest in the Employee Offering. The subscription price will be communicated to the Qualified Canadian Participants and will be determined by the commencement of the subscription period. The subscription price will be determined as provided for in paragraph 19(b) and paragraph 20(a) below for the Classic Funds and the +Fund, respectively.

13. The Classic Funds and the +Fund are and will be collective shareholding vehicles of a type commonly used in France for investing in shares of an issuer by employee-investors.
14. The Classic Funds and +Fund must be registered and approved by the French Autorité des marchés financiers (**AMF France**) at the time of their creation.
15. The Classic Funds and the +Fund are not and have no current intention of becoming reporting issuers under the securities legislation in any of the jurisdictions in Canada.
16. After each Employee Offering, the relevant Intermediary Fund and the Classic Fund will invest in Shares. From time to time, cash in respect of dividends paid on the Shares held in the Classic Funds will be reinvested in Shares. Classic Funds may also hold cash or cash equivalents pending investments in the Shares and for the purpose of unit redemptions.
17. After each Employee Offering, the +Fund will invest in Shares and may also hold cash or cash equivalents pending investments in the Shares and for the purpose of unit redemptions.
18. The payment of dividends on the Shares (in the ordinary course or otherwise) is strictly determined by the board of directors of the Filer and approved by the shareholders of the Filer. The Filer has not made any commitment to the Bank (as defined below) as to any minimum payment of dividends during the term of the Lock-Up Period (as defined below).
19. Under the Classic Plan, an Employee Offering will involve an offering of Shares to be subscribed through the Classic Funds as follows:
 - (a) Qualified Canadian Participants will subscribe for and be issued units of the relevant Intermediary Fund which will, in turn, subscribe for and hold Shares on behalf of the Qualified Canadian Participants;
 - (b) the subscription price for Shares is equal to the price calculated as the average of the closing prices of the Shares for a specified number of trading days ending on a date preceding the date of the corporate decision on which the dates of the subscription period are set and the Employee Offering commences (the **Reference Price**), less a specified discount to the Reference Price;
 - (c) after completion of an Employee Offering, the Intermediary Fund will be merged with the Classic Fund, and the units of the Intermediary Fund held by Qualified Canadian Participants will be exchanged for units of the Classic Fund and the Shares previously held by the Intermediary Fund will be held in the Classic Fund;
 - (d) the units of the Classic Funds will be subject to a hold period of approximately five years from the issuance date (the **Lock-Up Period**), subject to certain exceptions prescribed by French law (such as a release on death, disability or termination of employment);
 - (e) any dividends paid on the Shares held in the Classic Funds on behalf of a Qualified Canadian Participant, and any income and earnings on the assets in the Classic Funds, will be used by the Classic Funds to purchase more Shares, and additional units will be issued to the Qualified Canadian Participant to reflect such additional Shares being held in the Classic Funds;
 - (f) at the end of the Lock-Up Period, or any time thereafter, or in the event of an early release outlined under paragraph 19(d), a Qualified Canadian Participant may:
 - (i) redeem his or her units in the Classic Funds for the Qualified Canadian Participant's pro rata portion of the underlying Shares held in the Classic Funds or a cash payment equal to the net asset value of the units held by the Qualified Canadian Participant in the Classic Funds; or
 - (ii) continue to hold his or her units in the Classic Funds and redeem those units at a later date;
 - (g) units of Classic Funds held by Qualified Canadian Participants are not transferable, except when the units held by the Qualified Canadian Participants are exchanged when the Intermediary Fund merges with the Classic Fund; and
 - (h) units of Classic Funds will not be listed on any exchange.
20. Under the Capital + Plan, an Employee Offering will involve an offering of Shares to be subscribed through the +Fund as follows:

- (a) Qualified Canadian Participants will subscribe for and be issued units of the +Fund, which will, in turn, subscribe for Shares on behalf of the Qualified Canadian Participants, at a subscription price that is equal to the Reference Price less a specified discount to the Reference Price;
- (b) the +Fund will enter into a swap transaction (a **Swap Transaction**) with a bank (the **Bank**, which at present is Credit Agricole Corporate and Investment Bank), under which it will receive from the Bank an amount equal to a specified multiple of the initial investment of each Qualified Canadian Participant (the **Multiple**), and under which:
 - (i) the +Fund, using money received by the +Fund from the Qualified Canadian Participants and from the Bank pursuant to the Swap Transaction, subscribes for a number of Shares corresponding to the total of:
 - A. the Shares subscribed with the subscription amount received from each Qualified Canadian Participant; plus
 - B. additional Shares equal to the Multiple;
 - (ii) the Filer issues to the +Fund a number of Shares corresponding to:
 - A. the subscription amount received from its Qualified Canadian Participants; plus
 - B. the additional Shares corresponding to the Multiple;
 - (iii) the +Fund will:
 - A. pay to the Bank an amount equivalent to the sum of all dividends that it receives on Shares on each payment date thereof; and
 - B. at the end of the Lock-Up Period, or earlier in the case of early release (as outlined in paragraph 20(c)), transfer to the Bank all Shares held by the +Fund (in the case of early release, the +Fund will transfer to the Bank only the Shares that correspond to the redeemed units); and
 - (iv) the Bank will pay to the +Fund at the end of the Lock-Up Period, or earlier in the case of early release, an amount equal to:
 - A. 100% of the initial subscription by a Qualified Canadian Participant; plus
 - B. the amount which is the greater of:
 - (1) a multiplier of the Protected Average Increase (as described below) of a Share over the Reference Price (the **Stake in the Protected Average Increase**); and
 - (2) a specified annual capitalized return on the Qualified Canadian Participant's initial investment (the **Annual Compound Return**);
- (c) the subscribed Shares will be held in the +Fund until the end of the Lock-Up Period, or earlier, in the case of early release, and the Qualified Canadian Participant will receive units in the +Fund;
- (d) any dividends paid on Shares and any income and earnings on other assets held in the +Fund will not increase the value of +Fund units; rather, those amounts will be transferred to the Bank under the Swap Transaction as described above;
- (e) the Lock-Up Period will apply to +Fund units, subject to certain early release exceptions prescribed by French law (such as a release on death, disability or termination of employment);
- (f) at the end of the Lock-Up Period (or earlier, in the case of a permitted early release) Qualified Canadian Participants will be entitled to receive from the +Fund 100% of their initial contribution, plus the greater of:
 - (i) the Stake in the Protected Average Increase; and

- (ii) the Annual Compound Return (pro-rated in the event of an early release);
 - (g) the “Protected Average Increase” will be calculated on the basis of the average of values of the Share recorded a set number of times per month between the date of the subscription by the +Fund for Shares and the end of the Lock-Up Period, each value being the greater of the Reference Price and the price of the Share on such record date;
 - (h) before the end of the Lock-Up Period, Qualified Canadian Participants will choose between:
 - (i) redemption of their units in cash or in Shares; and
 - (ii) redemption of their units of the +Fund in exchange for units of the Classic Fund;
 - (i) accordingly, at the end of the Lock-Up Period, a Qualified Canadian Participant may:
 - (i) redeem his or her units in the +Fund for cash (or Shares having an equal value) equal to his or her initial contribution plus the greater of: (x) the Stake in the Protected Average Increase; and (y) the Annual Compound Return; or
 - (ii) continue holding units of the Classic Fund received in exchange for his or her units of the +Fund;
 - (j) any Qualified Canadian Participant who does not select between (i) redemption of his or her Units in cash or Shares, or (ii) transfer of his or her Units to the Classic Fund, as described above, will be deemed to have elected (ii);
 - (k) at the end of the Lock-Up Period, the +Fund may be merged into the Classic Fund;
 - (l) units of the +Fund held by Qualified Canadian Participants are not transferable, except as described above; and
 - (m) +Fund units will not be listed on any exchange.
21. The initial value of a unit of an Intermediary Fund will be approximately equal to the subscription price of a Share as described above in paragraph 19(b).
22. The value of a unit of the Classic Fund is tied to the market price of Shares, plus or minus 1%. The value of a unit any of the Classic Funds will be based on the relevant fund’s net assets divided by the number of its units outstanding.
23. The initial value of a unit of the +Fund is calculated based on the value of underlying assets of the +Fund.
24. Subject to the Lock-Up Period hold requirement described above, the Classic Funds and the +Fund will redeem units at the request of a Qualified Canadian Participant, making payment in cash or the equivalent number of Shares. The amount payable on redemption of a unit of the Classic Funds will be based of the per-unit net asset value of such fund. The amount payable on redemption of a +Fund unit will be as set out in paragraph 20(f).
25. It is anticipated that any resale by a Qualified Canadian Participant of Shares received on the redemption of units of the Classic Funds or of the +Fund will be effected through the facilities of, and in accordance with the rules of, a foreign exchange.
26. Shares issued under an Employee Offering will be deposited in the relevant Intermediary Fund or in the +Fund through a depository (the **Depository**). The Depository will carry out orders to purchase and sell securities, and take all necessary action to allow the Classic Funds and +Fund to exercise the rights relating to the Shares held. The Depository must carry out its activities in accordance with French law. The current Depository is CACEIS Bank France, a large French commercial bank.
27. The Classic Funds and the +Fund are or will be established by their respective Manager and the Filer. The Manager will be a portfolio management company governed by the laws of France. The Manager will be registered with AMF France to manage French investment funds and will comply with the rules of AMF France. At present, the Manager of each of the Classic Funds and +Fund is Amundi Asset Management, a limited liability company registered in the *Paris Trade and Companies Register*. It is not and has no current intention of becoming a reporting issuer under the securities legislation in any of the jurisdictions of Canada, nor is it registered as an adviser or a dealer under the securities legislation in any of the jurisdictions of Canada. To the best of the Filer’s knowledge, the Manager is not in default of securities legislation in any of the jurisdictions of Canada.

Decisions, Orders and Rulings

28. The Manager's portfolio management activities in connection with Employee Offerings will be limited to purchasing Shares from the Filer and selling such Shares (in the case of the Classic Funds, in a marketplace (as defined in National Instrument 21-101 *Marketplace Operation* (a **Marketplace**)); and in the case of the +Fund, to the Bank) as necessary in order to fund redemption requests. The Filer, the Manager, the Canadian Related Entities or any of their employees, agents or representatives will not be involved in providing advice to any Qualified Canadian Participant with respect to investments in the Shares, units of the Classic Funds or units of the +Fund. Manager's activities will in no way affect the underlying value of the Shares or of units of the Classic Funds or the +Fund.
29. The management of each of the Classic Funds and the +Fund will be overseen by a separate supervisory board (the **Supervisory Board**) comprised of employee unitholders from the various geographical zones in which the Filer operates and management representatives of the Filer. The Supervisory Board's duties will include, among other things, examining the Classic Funds' and the +Fund's management reports and annual accounts, reviewing major changes in the Classic Funds and +Fund and making decisions about the merger of an Intermediary Fund with the Classic Fund.
30. Administrative, accounting, audit and financial management expenses incurred by the Classic Funds and the +Fund will be paid by the Filer. Other expenses incurred by the Classic Funds and the +Fund, including transaction fees relating to the purchase or sale of Shares, will be borne by the respective fund and paid from its assets.
31. Qualified Canadian Participants will receive an information package in French or English, as they choose, which will include a summary of the terms of the applicable Employee Offering and a description of relevant Canadian income tax consequences.
32. Qualified Canadian Participants will have access, through the Filer's website, to the Filer's annual report filed with the United States Securities and Exchange Commission and to the continuous disclosure furnished by the Filer to its shareholders generally.
33. A copy of the rules of the Classic Fund or of +Fund will be made available to Qualified Canadian Participants when they receive their application to subscribe for units of an Intermediary Fund or of the +Fund, respectively.
34. Each Qualified Canadian Participant will receive, at least annually, a statement of account.
35. As of the date hereof and after giving effect to the Employee Offering, Qualified Canadian Participants do not and will not beneficially own 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.

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 Exemptive Relief Sought is granted:

- (a) for the Current Employee Offering provided that:
 - (i) the first trade of any security acquired by a Qualified Canadian Participant pursuant to this decision, in a Jurisdiction, is deemed to be a distribution or a primary distribution to the public under the Legislation of such Jurisdiction unless the following conditions are met:
 - A. the issuer of the security:
 - (1) was not a reporting issuer in any jurisdiction of Canada at any time during the distribution; and
 - (2) is not a reporting issuer in any jurisdiction of Canada at the date of such first trade;
 - B. at the date of any distribution under the Current Employee Offering, residents of Canada:
 - (1) do not own directly or indirectly more than 10% of outstanding Shares; and
 - (2) did not represent in number more than 10% of the total number of direct or indirect owners of outstanding Shares; and

- C. the trade is made:
 - (1) through a Marketplace outside Canada; and
 - (2) to a person or company outside Canada; and
 - D. in Québec, the required fees are paid in accordance with subsection 271.6(1.1) of the *Securities Regulation* (Québec); and
- (b) for any Subsequent Employee Offerings under this decision completed within five years from the date of this decision provided that the representations in paragraphs 3 through 5, 8, 9, 11 through 20, and 24 through 35 (varied to reflect the identities of particular special-purpose entities) remain true and correct in respect of that Subsequent Employee Offering, and the conditions set out in paragraph (a) above (varied such that any reference therein to the Current Employee Offering is read as a reference to the relevant Subsequent Employee Offering) are satisfied, as of the date of any distribution of a security under such Subsequent Employee Offering.

For the Commission:

“Tom Cotter”
Vice-Chair

“Stephen Murison”
Vice-Chair

2.1.2 McEwen Mining 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, as am., ss. 53, 74(1)2.

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

March 10, 2017

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
MCEWEN MINING INC.
(THE FILER)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction, pursuant to paragraph 74(1)2 of the *Securities Act* (Ontario) (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 Canadian MJDS Shelf Prospectus (as defined below), together with applicable supplements as filed by the Filer in each of the provinces of Canada, other than the province of Québec (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 subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (together with the Jurisdiction, collectively, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 71-101 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:

1. The Filer is a corporation incorporated under the laws of the state of Colorado.
1. The head office of the Filer is located at 150 King Street West, Suite 2800, P.O. Box 24, Toronto, Ontario (Canada), M5H 1J9.
2. As of the date hereof, the Filer is a reporting issuer in each of the Jurisdictions and is an "SEC foreign issuer" as defined under National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.
3. The Filer is not in default of the securities legislation in any of the Jurisdictions.
4. The Filer filed a registration statement on Form S-3 on June 3, 2015 and an amendment thereof on Form S-3/A on June 26, 2015 with the U.S. Securities and Exchange Commission (the **Registration Statement**). The Registration Statement contains a shelf prospectus (the **U.S. Shelf Prospectus**) and may register for sale in the United States, from time to time, in one or more offerings and pursuant to one or more prospectus supplements, any combination of the Filer's common stock, debt securities, warrants, subscription rights, subscription receipts and units.
5. The Filer has also filed a final MJDS prospectus dated July 27, 2015 in each of the Jurisdictions pursuant to NI 71-101 which includes the final U.S. Shelf Prospectus (the final MJDS prospectus is referred to in this decision as the **Final Canadian MJDS Shelf Prospectus**), and will qualify the distribution in each of the Jurisdictions, from time to time, in one or more offerings and pursuant to one or more prospectus supplements, any combination of the Filer's common stock, debt securities, warrants, subscription rights, subscription receipts and units.
6. National Instrument 44-102 *Shelf Distributions (NI 44-102)* sets out the requirements for a distribution under a (non-MJDS) 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 (NI 41-101)*) 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 that are equivalent to those of Part 9A of NI 44-102.
7. In connection with marketing an offering in Canada under the Final Canadian MJDS Shelf Prospectus, investment dealers acting as underwriters or selling group members of (a) the Filer, or (b) a selling securityholder of the Filer may wish to conduct road shows (**Road Shows**) and utilize one or more standard term sheets (**Standard Term Sheets**) and marketing materials (**Marketing Materials**). Any such 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.
8. Canadian purchasers, if any, of securities offered under the Final Canadian MJDS Shelf Prospectus will only be able to purchase those securities through an investment dealer registered in the Jurisdiction of residence of the purchaser.

Decision

9. The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.
10. The decision of the principal regulator is that the Exemption Sought is granted, provided that 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 for any future offering under the Final Canadian MJDS Shelf Prospectus in the manner in which those conditions and requirements would apply if the Final Canadian MJDS Shelf Prospectus were a final base shelf prospectus under NI 44-102.

"Philip Anisman"
Commissioner
Ontario Securities Commission

"Frances Kordyback"
Commissioner
Ontario Securities Commission

2.1.3 Compagnie de Saint-Gobain

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for a 5 year relief from the prospectus and dealer registration requirement in respect of certain trades of securities in connection with employee share offerings by a French issuer – The offerings will involve 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 Exemptions or the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations as the shares are not being offered to Canadian employees directly by the issuer but through the FCPEs – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

Applicable Legislative Provisions

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

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

National Instrument 45-102 Resale of Securities.

National Instrument 45-106 Prospectus Exemptions.

March 3, 2017

**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
COMPAGNIE DE SAINT-GOBAIN
(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 requirement (the **Prospectus Relief**) so that such requirement does not apply to
 - (a) trades of:
 - (i) units (the **2017 Units**) of a temporary *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, named *Saint-Gobain Relais 2017 Monde* (the **2017 Fund**); and
 - (ii) units (together with the 2017 Units, the **Temporary Classic Units**, and together with the 2017 Units and the Principal Classic Units (as defined below), the **Units**) of future temporary FCPEs organized in the same manner as the 2017 Fund (together with the 2017 Fund, the **Temporary Classic Funds**),

made under the Saint-Gobain Group Share Purchase Plan (**PEG**) to or with Qualifying Employees (as defined below) resident in the Jurisdiction and the Other Offering Jurisdictions (as defined below) (collectively, the **Canadian Employees**, and Canadian Employees who subscribe for Temporary Classic Units, the **Canadian Participants**);

- (b) trades of ordinary shares of the Filer (the **Shares**) by the Classic Fund to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants (the term “**Classic Fund**” used herein means, prior to the Merger (as defined below), a Temporary Classic Fund and following the Merger, a compartment (the **Principal Classic Compartment**) named *Saint-Gobain Avenir Monde* of an FCPE named *Saint-Gobain PEG Monde* (the **Principal Classic Fund**)); and
- 2. an exemption from the dealer registration requirement (the **Registration Relief**, and together with the Prospectus Relief, the **Offering Relief**) so that such requirement does not apply to the Filer and its Local Related Entities (as defined below), the Classic Fund and Amundi Asset Management (the **Management Company**) in respect of:
 - (a) trades in Units made pursuant to an Employee Offering (as defined below) to or with Canadian Employees; and
 - (b) trades in Shares by the Classic Fund to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants.

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

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick and Nova Scotia (the **Other Offering Jurisdictions**).

Interpretation

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

“**Related entity**” has the same meaning given to such term in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) under the heading “Division 4 – Employee Executive Officer, Director and Consultant Exemptions”.

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 any other jurisdiction of Canada. The head office of the Filer is located in France and the Shares are listed on Euronext Paris. The Filer is not in default of securities legislation of any jurisdiction of Canada.
2. The Filer carries on business in Canada through certain related entities and has established a global employee share offering under the PEG (the **2017 Employee Offering**) and expects to establish subsequent global employee share offerings of the Filer following 2017 for the next four years that are substantially similar (**Subsequent Employee Offerings**, and together with the 2017 Employee Offering, the **Employee Offerings**) for Qualifying Employees and its participating related entities, including related entities that employ Canadian Employees (**Local Related Entities**, and together with the Filer and other related entities of the Filer, the **Saint-Gobain Group**). Each of the Local Related Entities is a direct or indirect controlled subsidiary of the Filer and no Local Related Entity has any current intention of becoming a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada. The principal office of the Saint-Gobain Group in Canada is located in Ontario, and the greatest number of employees of Local Related Entities are employed in Ontario as compared to any other jurisdiction in Canada.
3. As of the date hereof, “Local Related Entities” include CertainTeed Gypsum Canada Inc., CertainTeed Canada, Inc., Saint-Gobain Abrasives, Inc., Saint-Gobain Canada Inc., and SAINT-GOBAIN ADFORS Canada, Ltd. For any Subsequent Employee Offering, the list of “Local Related Entities” may change.
4. Each Employee Offering will be made under the terms as set out herein and for greater certainty, all of the representations will be true for each Employee Offering other than paragraphs 3, 11 and 26 which may change (save for references to the 2017 Fund and the 2017 Employee Offering which will be varied such that they are read as references to the relevant Temporary Classic Fund and Subsequent Employee Offering, respectively).

5. As of the date hereof and after giving effect to any Employee Offering, Canadian residents do not and will not beneficially own more than 10% of the Shares (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Classic Fund on behalf of Canadian Participants) issued and outstanding, 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.
6. Each Employee Offering involves an offering of Shares to be acquired through a Temporary Classic Fund, which will be merged with the Principal Classic Compartment following completion of the Employee Offering (the **Classic Plan**), subject to the decision of the supervisory boards of the FCPEs and the approval of the French AMF (as defined below).
7. Only persons who are employees of an entity forming part of the Saint-Gobain Group during the subscription period for an Employee Offering and who meet other employment criteria (the **Qualifying Employees**) will be allowed to participate in the relevant Employee Offering.
8. The 2017 Fund was established for the purpose of implementing the 2017 Employee Offering. The Principal Classic Compartment was established for the purpose of implementing the Employee Offering generally. There is no current intention for any of the 2017 Fund or the Principal Classic Compartment to become a reporting issuer under the securities legislation of any jurisdiction of Canada. There is no intention for any Temporary Classic Fund that will be established for the purpose of implementing Subsequent Employee Offerings to become a reporting issuer under the securities legislation of any jurisdiction of Canada.
9. The 2017 Fund and the Principal Classic Compartment are registered with the French Autorité des marchés financiers (the **French AMF**). It is expected that each Temporary Classic Fund established for Subsequent Employee Offerings will be a French FCPE and registered with, and approved by, the French AMF.
10. Under the Classic Plan, each Employee Offering will be made as follows:
 - (a) Canadian Participants will subscribe for the relevant Temporary Classic Units, and the relevant Temporary Classic Fund will then subscribe for Shares on behalf of Canadian Participants at a subscription price that is the Canadian dollar equivalent of the average opening price of the Shares (expressed in Euros) on Euronext Paris for the 20 trading days preceding the date of the fixing of the subscription price (the **Reference Price**) by the Chief Executive Officer of the Filer, less a specified discount to the Reference Price.
 - (b) Canadian Participants will make a contribution to the Classic Plan (the **Employee Contribution**), and the Local Related Entities that employ the Canadian Participants will also contribute on behalf of such Canadian Participants an amount into the Classic Plan (the **Employer Contributions**). The Temporary Classic Fund will apply the cash received from the Employee Contributions and the Employer Contributions to subscribe for Shares from the Filer.
 - (c) Initially, the Shares subscribed for will be held in the relevant Temporary Classic Fund and the Canadian Participants will receive Units of the relevant Temporary Classic Fund.
 - (d) Following the completion of an Employee Offering, the relevant Temporary Classic Fund will be merged with the Principal Classic Compartment (subject to the approval of the supervisory board of the FCPEs and the French AMF). The Temporary Classic Units held by Canadian Participants will be replaced with units of the Principal Classic Fund (the **Principal Classic Units**) on a pro rata basis and the Shares will be held in the Principal Classic Compartment (such transaction being referred to as the **Merger**). The Filer is relying on the exemption from the prospectus requirement pursuant to section 2.11 of NI 45-106 in respect of the issuance of Units of the Principal Classic Fund to Canadian Participants in connection with the Merger.
 - (e) The Units will be subject to a hold period of approximately five years (the **Lock-Up Period**), subject to certain exceptions provided for under French law and adopted for an Employee Offering in Canada (such as a release on death or termination of employment).
 - (f) Any dividends paid on the Shares held in the Classic Fund will be contributed to the Classic Fund and used to purchase additional Shares. To reflect this reinvestment, new Units (or fractions thereof) will be issued to the Canadian Participants.
 - (g) At the end of the relevant Lock-Up Period, a Canadian Participant may (i) request the redemption of Units in the Classic Fund in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares, or (ii) continue to hold Units in the Classic Fund 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.

- (h) In the event of an early exit 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 Fund in consideration for a cash payment equal to the then market value of the underlying Shares.
 - (i) As indicated in paragraph 10(b) above, the Local Related Entity employing a Canadian Participant will also contribute on behalf of such Canadian Participant an amount into the Classic Plan based on predetermined matching contribution rules
11. For the 2017 Employee Offering, for each Employee Contribution, the Local Related Entity employing such Canadian Participant will contribute an additional 15% of such amount into the Classic Plan, up to a maximum amount of \$1,500 per Canadian Participant to the Classic Plan, for the benefit of, and at no cost to, the Canadian Participant. For each Subsequent Employee Offering, the matching contribution rules may change.
 12. Under French law, an FCPE is a limited liability entity. The portfolio of the Classic Fund will consist almost entirely of Shares and may also include cash in respect of dividends paid on the Shares which will be reinvested in Shares as discussed above and cash or cash equivalents pending investments in the Shares and for the purposes of Unit redemptions.
 13. 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 complies with the rules of the French AMF. To the best of the Filer's knowledge, the Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.
 14. Only Qualifying Employees will be allowed to hold Units of the Classic Fund.
 15. The Management Company's portfolio management activities in connection with an Employee Offering and the Classic Fund 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.
 16. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the Classic Fund. The Management Company's activities do not affect the underlying value of the Shares.
 17. None of the entities forming part of the Saint-Gobain Group, the Classic Fund or the Management Company or any of their employees, directors, officers, agents or representatives will provide investment advice to the Canadian Employees with respect to an investment in the Shares or the Units.
 18. Shares issued pursuant to an Employee Offering will be deposited in the Classic Fund through CACEIS Bank France (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 the Classic Fund to exercise the rights relating to the securities held in its portfolio.
 19. Participation in an Employee Offering is voluntary, and the Canadian Employees will not be induced to participate in an Employee Offering by expectation of employment or continued employment.
 20. The total amount invested by a Canadian Employee pursuant to an Employee Offering cannot exceed 25% of his or her gross annual compensation. The Employer Contribution will not be factored into the maximum amount that a Canadian Employee may contribute.
 21. The Shares and the Units are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares or the Units so listed.
 22. None of the entities forming part of Saint-Gobain Group, the Classic Fund or the Management Company is currently in default of securities legislation of any jurisdiction of Canada.
 23. The Unit value of the Classic Fund will be calculated and reported to the French AMF on a regular basis, based on the net assets of the Classic Fund divided by the number of Units outstanding. The value of the Units will be based on the value of the underlying Shares.
 24. All management charges relating to the Classic Fund will be paid from the assets of the Classic Fund or by the Filer, as provided in the regulations of the Classic Fund.

25. The Canadian Employees will receive, or will be notified of their ability to request, an information package in the French or English language, according to their preference, which will include a summary of the terms of the relevant Employee Offering and a description of Canadian income tax consequences of subscribing for and holding the Units of the Classic Fund and the redemption of such Units at the end of the applicable Lock-Up Period. Canadian Employees will have access to or may request a copy 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 relevant Temporary Classic Fund and the Principal Classic Compartment. The Canadian Employees will also have access to the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares generally. Canadian Participants will receive an initial statement of their holdings under the Classic Plan, together with an updated statement at least once per year.
26. For the 2017 Employee Offering, there are approximately 1,213 Canadian Employees resident in Canada, with the greatest number resident in Ontario (678), and the remainder in the Other Offering Jurisdictions who represent, in the aggregate, less than 1% of the number of employees in the Saint-Gobain 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.

The decision of the principal regulator under the Legislation is that the Offering Relief is granted:

- (a) for the 2017 Employee Offering provided that:
- (i) the prospectus requirement 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:
 - (1) the issuer of the security
 - (A) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
 - (B) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
 - (2) 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:
 - (A) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and
 - (B) 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
 - (3) the first trade is made
 - (A) through an exchange, or a market, outside of Canada, or
 - (B) to a person or company outside of Canada; and
- (b) for any Subsequent Employee Offering under this decision completed within five years from the date of this decision, provided that (i) the representations other than those in paragraphs 3, 11 and 26 remain true and correct in respect of that Subsequent Employee Offering, and (ii) the conditions set out in paragraph (a) above are satisfied as of the date of any distribution of a security under such Subsequent Employee Offering (varied such that any references therein to the 2017 Fund and the 2017 Employee Offering are read as references to the relevant Temporary Classic Fund and Subsequent Employee Offering, respectively).

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

"Janet Leiper"
Commissioner
Ontario Securities Commission

2.1.4 Horizons ETFs Management (Canada) Inc. and AlphaPro Management Inc.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Existing and future mutual funds managed by the Filers granted relief from paragraphs 15.3(4)(c) and (f) of NI 81-102 Investment Funds to permit references to Fundata A+ Awards and relief from paragraphs 15.3(4)(c) to permit references to FundGrade Ratings in sales communications – Relief subject to conditions requiring specified disclosure and the requirement that the Fundata A+ Awards being referenced not have been awarded more than 365 days before the date of the sales communication.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 15.3(4)(c) and (f), 19.1.

March 10, 2017

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
HORIZONS ETFS MANAGEMENT (CANADA) INC. AND
ALPHAPRO MANAGEMENT INC.
(the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers on behalf of the Existing Funds and Future Funds (each defined below) (each a **Fund** and collectively, the **Funds**) of which a Filer is or becomes the investment fund manager, pursuant to section 19.1 of National Instrument 81-102 – *Investment Funds (NI 81-102)*, for exemptive relief (**Requested Relief**) from the requirements set out in paragraphs 15.3(4)(c) (in respect of both the FundGrade A+ Awards presented annually by Fundata Canada Inc. (**Fundata**) and the FundGrade Ratings) and 15.3(4)(f) (in respect of the FundGrade A+ Awards only) of NI 81-102, which provide that a sales communication must not refer to a performance rating or ranking of a mutual fund or asset allocation service unless:

- (a) the rating or ranking is provided for each period for which standard performance data is required to be given, except the period since the inception of the mutual fund;
- (b) the rating or ranking is to the same calendar month end that is
 - (i) not more than 45 days before the date of the appearance or use of the advertisement in which it is included, and
 - (ii) not more than three months before the date of first publication of any other sales communication in which it is included;

in order to permit the FundGrade A+ Awards and the FundGrade Ratings to be referenced in sales communications relating to the Funds.

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

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

- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador, the Northwest Territories, Nunavut and Yukon (the **Other Jurisdictions**).

Interpretation

Terms defined in NI 81-102, 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:

The Filers

1. Each Filer is a corporation existing under the federal laws of Canada. The head office of each filer is located in Toronto, Ontario.
2. Each Filer is registered as an investment fund manager in each of Ontario, Quebec and Newfoundland & Labrador.
3. Each Filer is not in default of securities legislation in Ontario or any Other Jurisdiction.

The Funds

4. Horizons ETFs Management (Canada) Inc. and its affiliate AlphaPro Management Inc. (each, a “**Filer**”, and together, the “**Filers**”) are the managers of mutual funds (the “**Existing Funds**”) subject to the requirements of NI 81-102, or NI 81-102 and National Instrument 81-104 *Commodity Pools* (“**NI 81-104**”). Each Filer, or an affiliate of a Filer, may in the future become the manager of additional mutual funds (the “**Future Funds**”, and together with the Existing Funds, the “**Funds**”) that are subject to the requirements of NI 81-102, or NI 81-102 and NI 81-104.
5. Each of the Funds is, or will be, an open-ended mutual fund established under the laws of Canada or a jurisdiction of Canada. The securities of each of the Funds are, or will be, qualified for distribution pursuant to a prospectus that has been, or will be, prepared and filed in accordance with the securities legislation of each applicable jurisdiction of Canada. Each of the Funds is, or will be, a reporting issuer in one or more of the jurisdictions of Canada. Each of the Funds is, or will be, subject to the requirements of NI 81-102, or NI 81-102 and NI 81-104, including Part 15 of NI 81-102 which governs sales communications.
6. The Existing Funds are not in default of securities legislation of any jurisdiction.

Fundata FundGrade A+ Awards Program

7. Fundata is not related to the Filers or the Funds. Fundata is a leader in supplying mutual fund information, analytical tools, and commentary. Fundata's fund data and analysis, fund awards designations and ratings information provide valuable insight to advisors, media and individual investors.
8. One of Fundata's programs is the FundGrade A+ Awards program. This program highlights funds that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The FundGrade A+ Awards designate award-winning funds in most individual fund classifications for the previous calendar year, and the awards are announced in January of each year. The categories for fund classification used by Fundata are those maintained by the Canadian Investment Funds Standards Committee (**CIFSC**) (or a successor to CIFSC), a Canadian organization that is independent of Fundata.
9. The FundGrade A+ Awards are based on a proprietary rating methodology developed by Fundata, the FundGrade Rating system. The FundGrade Rating system evaluates funds based on their risk-adjusted performance measured by three well-known and widely used metrics: the Sharpe Ratio, the Information Ratio, and the Sortino Ratio. The ratios are calculated for the two through ten year time periods for each fund. When there is more than one eligible series of a fund, an average ratio is taken for each period. The ratios are ranked across all time periods and an overall score is calculated by equally weighting the yearly rankings.
10. The FundGrade Ratings are letter grades for each fund and are determined each month. The FundGrade Ratings for each month are released on the seventh business day of the following month. The top 10% of funds earn an A Grade; the next 20% of funds earn a B Grade; the next 40% of funds earn a C Grade; the next 20% of funds receive a D

Grade; and the lowest 10% of funds receive an E Grade. Because the overall score of a fund is calculated by equally weighting the periodic rankings, to receive an A Grade, a Fund must show consistently high scores for all ratios across all time periods.

11. Fundata calculates a grade using only the retail series of each Fund. Institutional series or fee-based series of any Fund are not included in the calculation. A Fund must have at least two years of history to be included in the calculation. Once a letter grade is calculated for a Fund, it is then applied to all related series of that Fund.
12. At the end of each calendar year, Fundata calculates a "Fund GPA" for each Fund based on the full year's performance. The Fund GPA is calculated by converting each month's FundGrade Rating letter grade into a numerical score. Each A is assigned a grade of 4.0; each B is assigned a grade of 3.0; each C is assigned a grade of 2.0; each D is assigned a grade of 1.0; and each E is assigned a grade of 0. The total of the grades for each Fund is divided by 12 to arrive at the Fund's GPA for the year. Any Fund earning a GPA of 3.5 or greater earns a FundGrade A+ Award.
13. When a Fund is awarded a FundGrade A+ Award, Fundata will permit such Fund to make reference to the award in its sales communications.
14. The FundGrade Ratings fall within the definition of "performance data" under NI 81-102, as they constitute "a rating, ranking, quotation, discussion or analysis regarding an aspect of the investment performance of an investment fund", given that the FundGrade Ratings are based on performance measures calculated by Fundata. The FundGrade A+ Awards may be considered to be "overall ratings or rankings", given that the awards are based on the FundGrade Ratings as described above. Therefore, references to FundGrade Ratings and FundGrade A+ Awards in sales communications relating to the Funds need to meet the applicable requirements in Part 15 of NI 81-102.
15. Paragraph 15.3(4)(c) of NI 81-102 imposes a "matching" requirement for performance ratings or rankings that are included in sales communications for mutual funds. If a performance rating or ranking is referred to in a sales communication, it must be provided for, or "match", each period for which standard performance data is required to be given for the fund, except for the period since the inception of the fund (i.e., for one, three, five and ten year periods, as applicable).
16. While FundGrade Ratings are based on calculations for a minimum of two years through to a maximum of ten years, and the FundGrade A+ Awards are based on a yearly average of monthly FundGrade Ratings, specific ratings for the three, five and ten year periods within the two to ten year measurement period are not given. This means that a sales communication referencing FundGrade Ratings cannot comply with the "matching" requirement contained in paragraph 15.3(4)(c) of NI 81-102. Relief from paragraph 15.3(4)(c) of NI 81-102 is, therefore, required in order for a Fund to use FundGrade Ratings in sales communications.
17. The exemption in subsection 15.3(4.1) of NI 81-102 for references to overall ratings or rankings of funds cannot be relied upon to reference the FundGrade A+ Awards in sales communications for the Funds because it is available only if a sales communication "otherwise complies" with the requirements of subsection 15.3(4). As noted above, sales communications referencing the FundGrade A+ Awards cannot comply with the "matching" requirement in subsection 15.3(4) because the underlying FundGrade Ratings are not available for the three, five and ten year periods within the two to ten year measurement period for the FundGrade Ratings, rendering the exemption in subsection 15.3(4.1) unavailable. Relief from paragraph 15.3(4)(c) is, therefore, required in order for the Funds to reference the FundGrade A+ Awards and the FundGrade Ratings in sales communications.
18. Paragraph 15.3(4)(f) of NI 81-102 imposes certain restrictions on disclosure in sales communications. This paragraph provides that in order for a rating or ranking such as a FundGrade A+ Award to be used in an advertisement, the advertisement must be published within 45 days of the calendar month end to which the rating or ranking applies. Further, in order for the rating or ranking to be used in any other sales communication, the rating or ranking must be published within three months of the calendar month end to which the rating or ranking applies.
19. Because the evaluation of Funds for the FundGrade A+ Awards will be based on data aggregated until the end of December in any given year and the results will be published in January of the following year, by the time a Fund receives a FundGrade A+ Award in January, paragraph 15.3(4)(f) of NI 81-102 will only allow the FundGrade A+ Award to be used in an advertisement until the middle of February and in other sales communications until the end of March.
20. The Requested Relief is required in order for the FundGrade Ratings and the FundGrade A+ Awards to be referenced in sales communications relating to the Funds.
21. The Filers wish to include, in sales communications of the Funds, references to the FundGrade Ratings and the FundGrade A+ Awards, where such Funds have been awarded a FundGrade A+ Award.

22. The Filers submit that the FundGrade A+ Awards and the FundGrade Ratings provide important tools for investors, as they provide investors with context when evaluating investment choices. The FundGrade A+ Awards and the FundGrade Ratings provide an objective, transparent and quantitative measure of performance that is based on the expertise of Fundata in fund analysis that alleviates any concern that references to them may be misleading and, therefore, contrary to paragraph 15.2(1)(a) of NI 81-102.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted to permit the FundGrade A+ Awards and the FundGrade Ratings to be referenced in sales communications relating to a Fund provided that:

1. The sales communication that refers to the FundGrade A+ Awards and the FundGrade Ratings complies with Part 15 of NI 81-102 other than as set out herein and contains the following disclosure in at least 10 point type:
 - (a) the name of the category for which the Fund has received the award or rating;
 - (b) the number of mutual funds in the category for the applicable period;
 - (c) the name of the ranking entity, i.e., Fundata;
 - (d) the length of period and the ending date, or, the first day of the period and the ending date on which the FundGrade A+ Awards or the FundGrade Rating is based;
 - (e) a statement that FundGrade Ratings are subject to change every month;
 - (f) in the case of a FundGrade A+ Award, a brief overview of the FundGrade A+ Awards;
 - (g) in the case of a FundGrade Rating (other than FundGrade Ratings referenced in connection with a FundGrade A+ Award), a brief overview of the FundGrade Rating;
 - (h) disclosure of the meaning of the FundGrade Ratings from A to E (e.g., rating of A indicates a fund is in the top 10% of its category); and
 - (i) reference to Fundata's website (www.fundata.com) for greater detail on the FundGrade A+ Awards and the FundGrade Ratings;
2. The FundGrade A+ Award being referenced must not have been awarded more than 365 days before the date of the sales communication; and
3. The FundGrade A+ Awards and the FundGrade Ratings being referenced are calculated based on comparisons of performance of investment funds within a specified category established by the CIFSC (or a successor to the CIFSC).

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

2.1.5 Schneider Electric S.E.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for a 5 year relief from the prospectus and dealer registration requirement in respect of certain trades of securities in connection with employee share offerings by a French issuer – The offerings will involve 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 Exemptions or the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations as the shares are not being offered to Canadian employees directly by the issuer but through the FCPEs – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

Applicable Legislative Provisions

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

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

National Instrument 45-102 Resale of Securities.

National Instrument 45-106 Prospectus Exemptions.

March 3, 2017

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

AND

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

AND

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

DECISION

Background

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

1. an exemption from the prospectus requirement (the **Prospectus Relief**) so that such requirement does not apply to
 - (a) trades of:
 - (i) units (the **2017 Units**) of a temporary *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, named *Schneider Relais International 2017* (the **2017 Fund**); and
 - (ii) units (together with the 2017 Units, the **Temporary Classic Units** and together with the 2017 Units and the Principal Classic Units (as defined below), the **Units**) of future temporary FCPEs organized in the same manner as the 2017 Fund (together with the 2017 Fund, the **Temporary Classic Funds**),

made under an International Employee Shareholding Plan (**IESP**) to or with Qualifying Employees (as defined below) resident in the Jurisdiction and the Other Offering Jurisdictions (as defined below)

(collectively, the **Canadian Employees**, and Canadian Employees who subscribe for Temporary Classic Units, the **Canadian Participants**);

- (b) trades of ordinary shares of the Filer (the **Shares**) by the Classic Fund to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants (the term "**Classic Fund**" used herein means, prior to the Merger (as defined below), a Temporary Classic Fund and following the Merger, an FCPE named *Schneider Actionnariat Mondial* (the **Principal Classic Fund**)); and
2. an exemption from the dealer registration requirement (the **Registration Relief**, and together with the Prospectus Relief, the **Offering Relief**) so that such requirement does not apply to the Filer and its Local Related Entities (as defined below), the Classic Fund and Natixis Asset Management (the **Management Company**) in respect of:
 - (a) trades in Units made pursuant to an Employee Offering (as defined below) to or with Canadian Employees; and
 - (b) trades in Shares by the Classic Fund to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants.

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

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

Interpretation

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

"**Related entity**" has the same meaning given to such term in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) under the heading "Division 4 – Employee Executive Officer, Director and Consultant Exemptions".

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 any other jurisdiction of Canada. The head office of the Filer is located in France and the Shares are listed on Euronext. The Filer is not in default of securities legislation of any jurisdiction of Canada.
2. The Filer carries on business in Canada through certain related entities and has established a global employee share offering of the Filer under the IESP (the **2017 Employee Offering**) and expects to establish subsequent global employee share offerings of the Filer following 2017 for the next four years that are substantially similar (**Subsequent Employee Offerings**, and together with the 2017 Employee Offering, **Employee Offerings**) for Qualifying Employees and its participating related entities, including related entities that employ Canadian Employees (**Local Related Entities**, and together with the Filer and other related entities of the Filer, the **Schneider Electric Group**). Each Local Related Entity is a direct or indirect controlled subsidiary of the Filer and no Local Related Entity has any current intention of becoming a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada. The Canadian headquarters of the Schneider Electric Group are in Ontario. There are more assets and clients of the Schneider Electric Group in Ontario than in any other jurisdiction of Canada.
3. As of the date hereof, "Local Related Entities" include Control Microsystems Inc., Schneider Electric Systems Canada Inc., Power Measurement Ltd., Power Measurement, Inc., Schneider Electric Canada Inc., Schneider Electric Software Canada Inc. and Viconics Technologies Inc. For any Subsequent Employee Offering, the list of "Local Related Entities" may change.
4. Each Employee Offering will be made under the terms as set out herein and for greater certainty, all of the representations will be true for each Employee Offering other than paragraphs 3, 11, 23 and 29 which may change

(save for references to the 2017 Fund and the 2017 Employee Offering which will be varied such that they are read as references to the relevant Temporary Classic Fund and Subsequent Employee Offering, respectively).

5. As of the date hereof and after giving effect to any Employee Offering, Canadian residents do not and will not beneficially own more than 10% of the Shares (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Classic Fund on behalf of Canadian Participants) issued and outstanding, 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.
6. Each Employee Offering involves an offering of Shares to be subscribed through a Temporary Classic Fund, which will be merged with the Principal Classic Fund following completion of the Employee Offering (the Classic Plan).
7. Only persons who are employees of an entity forming part of the Schneider Electric Group during the subscription period for an Employee Offering and who meet other employment criteria (the **Qualifying Employees**) will be allowed to participate in the relevant Employee Offering.
8. The 2017 Fund was established for the purpose of implementing the 2017 Employee Offering. The Principal Classic Fund was established for the purpose of implementing the Employee Offering generally. There is no current intention for any of the 2017 Fund or the Principal Classic Fund to become a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada. There is no intention for any Temporary Classic Fund that will be established for the purpose of implementing Subsequent Employee Offerings to become a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.
9. The 2017 Fund and the Principal Classic Fund are FCPEs and are registered with the French Autorité des marchés financiers (the **French AMF**). It is expected that each Temporary Classic Fund established for Subsequent Employee Offerings will be a French FCPE and registered with, and approved by, the French AMF.
10. Under the Classic Plan, each Employee Offering will be made as follows:
 - (a) Canadian Participants will subscribe for the relevant Temporary Classic Units, and the relevant Temporary Classic Fund will then subscribe for Shares on behalf of Canadian Participants using the Canadian Participants' contributions and the employer contributions from Local Related Entities that employ the Canadian Participants, as described in paragraph 10(h). The subscription price will be the Canadian dollar equivalent of the average opening price of the Shares (expressed in Euros) on Euronext for the 20 trading days preceding the date of fixing of the subscription price (the **Reference Price**) by the management board of the Filer, less a specified discount to the Reference Price.
 - (b) Initially, the Shares subscribed for will be held in the relevant Temporary Classic Fund and the Canadian Participants will receive the relevant Temporary Classic Units.
 - (c) Following the completion of an Employee Offering, the relevant Temporary Classic Fund will be merged with the Principal Classic Fund (subject to the approval of the supervisory board of the FCPEs and the French AMF). The Temporary Classic Units held by the Canadian Participants will be replaced with units of the Principal Classic Fund (the **Principal Classic Units**) on a *pro rata* basis and the Shares subscribed for will be held in the Principal Classic Fund (such transaction being referred to as the **Merger**). The Filer is relying on the exemption from the prospectus requirement pursuant to section 2.11 of NI 45-106 in respect of the issuance of Units of the Principal Classic Fund to Canadian Participants in connection with the Merger.
 - (d) The Units will be subject to a hold period of approximately five years (the **Lock-Up Period**), subject to certain exceptions provided for in the IESP and adopted for an Employee Offering in Canada (such as a release on death, termination of employment or the Canadian Participant's employer ceases to be an affiliate of the Filer).
 - (e) Any dividends paid on the Shares held in the Classic Fund will be contributed to the Classic Fund and used to purchase additional Shares. To reflect this reinvestment, no new Units will be issued. Instead, the reinvestment will increase the asset base of the Classic Fund as well as the value of the Units held by Canadian Participants.
 - (f) At the end of the relevant Lock-Up Period, a Canadian Participant may (i) request the redemption of his or her Units in the Classic Fund in consideration for a cash payment equal to the then market value of the Shares, or (ii) continue to hold his or her Units in the Classic Fund and request the redemption of those Units at a later date in consideration for a cash payment equal to the then market value of the Shares. Subject to certain changes in the regulations of the Classic Fund which may be made, a Canadian Participant may be permitted to request the redemption of his or her Units in the Classic Fund in consideration for the underlying Shares (instead of a cash payment) at or after the end of the Lock-Up Period.

- (g) In the event of an early exit 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 his or her Units in the Classic Fund in consideration for a cash payment equal to the then market value of the underlying Shares.
 - (h) As indicated in paragraph 10(a) above, the Local Related Entity employing a Canadian Participant will also contribute on behalf of such Canadian Participant an amount into the Classic Plan based on predetermined matching contribution rules.
11. For the 2017 Employee Offering, for each contribution that a Canadian Participant makes into the Classic Plan up to and including the Canadian dollar equivalent of €800, the Local Related Entity employing such Canadian Participant will contribute an additional 100% of such amount into the Classic Plan on behalf of such Canadian Participant. For the portion of each contribution that a Canadian Participant makes that is equal to or greater than the Canadian dollar equivalent of €801 and up to and including the Canadian dollar equivalent of €2,000, the Local Related Entity employing such Canadian Participant will contribute an additional 50% of such amount into the Classic Plan on behalf of such Canadian Participant. For clarity, the maximum contribution by a Local Related Entity in respect of a Canadian Participant is the Canadian dollar equivalent of €1,400 (i.e., 100% of the Canadian dollar equivalent of first €800 contribution and 50% of the Canadian dollar equivalent of the next €1,200 contribution). For each Subsequent Employee Offering, the matching contribution rules may change.
 12. The subscription price for an Employee Offering will not be known to Canadian Employees until after the end of the applicable subscription period. However, this information will be provided to Canadian Employees prior to the start of the revocation period, during which Canadian Participants may choose to revoke all (but not part) of their subscription under the Classic Plan and thereby not participate in the relevant Employee Offering.
 13. Under French law, an FCPE is a limited liability entity. The portfolio of the Classic Fund will consist almost entirely of Shares, but may, from time to time, include cash in respect of dividends paid on the Shares which will be reinvested in Shares and cash or cash equivalents pending investments in Shares and for the purposes of Unit redemptions.
 14. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage investments and complies with the rules of the French AMF. To the best of the Filer's knowledge, the Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the Other Offering Jurisdictions.
 15. Only Qualifying Employees will be allowed to hold Units of the Classic Fund.
 16. The Management Company's portfolio management activities in connection with an Employee Offering and the Classic Fund are limited to subscribing for Shares from the Filer, selling such Shares as necessary in order to fund redemption requests and investing available cash in cash equivalents.
 17. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents of the Classic Fund. The Management Company's activities do not affect the underlying value of the Shares.
 18. None of the entities forming part of the Schneider Electric Group, the Classic Fund, the Management Company 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.
 19. Shares issued pursuant to an Employee Offering will be deposited in the Classic Fund through CACEIS Bank (the **Depository**), a large French commercial bank subject to French banking legislation.
 20. Under French law, the Depository must be selected by the Management Company from among a limited number of companies identified on a list maintained by the French Minister of the Economy and Finance and its appointment must be approved by the French AMF. The Depository carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow the Classic Fund to exercise the rights relating to the securities held in its portfolio.
 21. Participation in an Employee Offering is voluntary, and the Canadian Employees will not be induced to participate in an Employee Offering by expectation of employment or continued employment.
 22. The total amount invested by a Canadian Employee pursuant to an Employee Offering cannot exceed 25% of his or her gross eligible earnings.

Decisions, Orders and Rulings

23. For the 2017 Employee Offering, eligible earnings include the employee's gross base salary as of March 1, 2017 as well as any bonus and/or overtime paid between January 1, 2016 and December 31, 2016.
24. The Shares and Units are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares or the Units so listed.
25. None of the entities forming part of Schneider Electric Group, the Classic Fund or the Management Company is currently in default of securities legislation of any jurisdiction of Canada.
26. The Unit value of the Classic Fund will be calculated and reported to the French AMF on a regular basis, based on the net assets of the Classic Fund divided by the number of Units outstanding. The value of Classic Fund Units will be based on the value of the underlying Shares, but the number of Units of the Classic Fund will not correspond to the number of the underlying Shares (as dividends will be reinvested in additional Shares and increase the value of each Unit).
27. All management charges relating to the Classic Fund will be paid from the assets of the Classic Fund or by the Filer, as provided in the regulations of the Classic Fund.
28. The Canadian Employees will receive an information package in the French or English language, according to their preference, which will include a summary of the terms of the relevant Employee Offering and a description of Canadian income tax consequences of subscribing for and holding Units of the Classic Fund and requesting the redemption of such Units at the end of the applicable Lock-Up Period. Canadian Participants will have access to the Filer's French *Document de Référence* filed with the French AMF in respect of the Shares and a copy of the regulations of the relevant Temporary Classic Fund and the Principal Classic Fund. 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. 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. For the 2017 Employee Offering, there are approximately 2,740 Canadian Employees resident in the Jurisdiction and the Other Offering Jurisdictions (with the greatest numbers, approximately 715, 689, 644 and 632 resident in Québec, Ontario, Alberta and British Columbia, respectively), who represent, in the aggregate, less than 2% of the number of employees in the Schneider Electric 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.

The decision of the principal regulator under the Legislation is that the Offering Relief is granted:

- (a) for the 2017 Employee Offering provided that:
 - (i) the prospectus requirement 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:
 - (1) the issuer of the security
 - (A) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
 - (B) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
 - (2) 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
 - (A) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and
 - (B) 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
 - (3) the first trade is made

- (A) through an exchange, or a market, outside of Canada, or
 - (B) to a person or company outside of Canada; and
- (b) for any Subsequent Employee Offering under this decision completed within five years from the date of this decision, provided that (i) the representations other than those in paragraphs 3, 11, 23 and 29 remain true and correct in respect of that Subsequent Employee Offering, and (ii) the conditions set out in paragraph (a) above are satisfied as of the date of any distribution of a security under such Subsequent Employee Offering (varied such that any references therein to the 2017 Fund and the 2017 Employee Offering are read as references to the relevant Temporary Classic Fund and Subsequent Employee Offering, respectively).

“Anne Marie Ryan”
Commissioner
Ontario Securities Commission

“Janet Leiper”
Commissioner
Ontario Securities Commission

2.1.6 Sierra Wireless, Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-102, s. 13.1 Continuous Disclosure Obligations – BAR – An issuer requires relief from the requirement to file a business acquisition report – The acquisition is insignificant applying the asset and investment tests; applying the profit or loss test produces an anomalous results because the significance of the acquisition under this test is disproportionate to its significance on an objective basis in comparison to the results of the other significance tests and all other business, commercial, financial and practical factors; the filer has provided additional measures that demonstrate the insignificance of the property to the filer and that are generally consistent with the results when applying the asset and investment tests.

Applicable Legislative Provisions

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
National Instrument 51-102, s. 13.1 Continuous Disclosure Obligations.

March 1, 2017

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

AND

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

AND

**IN THE MATTER OF
SIERRA WIRELESS, INC.
(the Filer)**

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) granting relief from the requirement in Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) to file a business acquisition report (BAR) in connection with the Filer's acquisition of a business specializing in embedded wireless technologies (Blue Creation) (the Acquisition) on November 2, 2016 (the Exemption Sought).

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

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

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 51-102 have the same meaning if used in this decision, unless otherwise defined in this decision.

Representations

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

The Filer

1. the Filer is a corporation incorporated under the *Canada Business Corporations Act* and its head office is located in Richmond, British Columbia;
2. the Filer is a reporting issuer under the securities legislation of each of the provinces of Canada;
3. the common shares of the Filer are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "SW" and on NASDAQ under the trading symbol "SWIR";
4. the Filer is not in default of securities legislation in any jurisdiction other than its obligation to file a BAR in connection with the Acquisition;
5. the Filer is in the business of building wireless solutions including cellular embedded wireless modules and gateways which are integrated with the Filer's secure cloud and connectivity services;
6. the Filer's OEM Solutions segment includes cellular embedded modules, software and tools for original equipment manufacturers (OEMs) to integrate wireless cellular connectivity into products and solutions across a broad range of industries, including automotive, transportation, energy, enterprise, networking, sales and payment, mobile computing, security, industrial monitoring, field services, residential, healthcare and others;

The Acquisition

7. on November 2, 2016, the Filer acquired the issued and outstanding share capital of Blue Creation for total cash consideration of approximately US\$6.4 million or US\$2.9 million, net of US\$3.5 million of cash acquired, plus a maximum contingent consideration of US\$0.5 million under a performance-based earn-out formula (the Purchase Price);
8. Blue Creation is an early stage company that specializes in Bluetooth, Bluetooth Low Energy, Wi-Fi and other embedded wireless technologies; the acquisition of Blue Creation provides the Filer with expanded short-range wireless module capabilities in Bluetooth and Wi-Fi and will strengthen the Filer's strategic position with OEMs;

Significance Tests for the BAR

9. under Part 8 of NI 51-102, the Filer is required to file a BAR for any completed acquisition that is determined to be significant based on the acquisition satisfying any of the three significance tests set out in section 8.3(2) of NI 51-102;
10. the Acquisition is not a significant acquisition under the asset test in section 8.3(2)(a) of NI 51-102 as the value of Blue Creation represented only approximately 0.6% of the consolidated assets of the Filer as of December 31, 2015;
11. the Acquisition is not a significant acquisition under the investment test in section 8.3(2)(b) of NI 51-102 as the Filer's acquisition costs represented only approximately 1.3% of the consolidated assets of the Filer as of December 31, 2015;
12. the Acquisition would, however, be a significant acquisition under the profit or loss test in section 8.3(2)(c) of NI 51-102; in particular, the Filer's proportionate share of the consolidated specified profit or loss of Blue Creation exceeds 20% of the consolidated specified profit or loss of the Filer calculated using audited annual financial statements of the Filer for the year ended December 31, 2015 and unaudited annual financial statements of Blue Creation for the year ended February 28, 2016;
13. the application of the profit or loss test produces an anomalous result for the Filer because it exaggerates the significance of the Acquisition out of proportion to its significance on an objective basis in comparison to the results of the asset test and investment test;

De Minimis Acquisition

14. the Filer does not believe (nor did it at the time that it made the acquisition) that the acquisition of Blue Creation is significant to it from a commercial, business, practical or financial perspective; and
15. the Filer has provided the principal regulator with additional operational measures that demonstrate the non-significance of the acquisition of Blue Creation to the Filer; these additional operational measures compared other operational information such as revenue, operating income, number of employees and number of embedded wireless modules shipped to that of the Filer, and the results of those measures are generally consistent with the results of the asset test and the investment test.

Decision

- 4 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.

“Peter J. Brady”
Executive Director
British Columbia Securities Commission

2.1.7 American Hotel Income Properties REIT LP

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions and Part 13 of National Instrument 51-102 Continuous Disclosure Obligations – an issuer requires relief from the requirement to file a business acquisition report. The acquisition is insignificant applying the asset and investment tests, but applying the profit or loss test produces anomalous results. The filer has provided additional measures that demonstrate the insignificance of the property acquired and that are generally consistent with the results when applying the asset and investment tests.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.

March 9, 2017

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

AND

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

AND

**IN THE MATTER OF
AMERICAN HOTEL INCOME PROPERTIES REIT LP
(the Filer)**

DECISION

Background

- 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) granting relief from the requirement in Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) to file a business acquisition report (BAR) in connection with the Filer's acquisition of a portfolio of two Embassy Suites by Hilton hotels located in Irving, Texas and Tempe, Arizona (the Sunstone Embassy Suites Portfolio) on January 6, 2017 (the Exemption Sought).

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

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

- 2 Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 51-102 have the same meaning if used in this decision, unless otherwise defined in this decision.

Representations

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

The Filer

1. the Filer is a limited partnership established under the laws of the Province of Ontario pursuant to a declaration of limited partnership and its head office is located in Vancouver, British Columbia;
2. the Filer is a reporting issuer under the securities legislation of each of the provinces and territories of Canada;
3. the limited partnership units of the Filer are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "HOT.UN";
4. the Filer is not in default of securities legislation in any jurisdiction;
5. the Filer is in the business of indirectly acquiring hotel properties substantially in the United States;
6. from its February 20, 2013 initial public offering and several subsequent bought deals, the Filer has raised approximately Cdn\$565 million in gross proceeds, the net proceeds of which have been used by the Filer to, among other things, partially finance its indirect acquisition of 96 hotel properties in the United States (including the Sunstone Embassy Suites Portfolio);

The Acquisition

7. on January 6, 2017, the Filer acquired the Sunstone Embassy Suites Portfolio for a total gross purchase price of approximately US\$57.6 million, excluding approximately US\$5.7 million for brand mandated property improvement plans and before customary closing and post-closing acquisition adjustments;
8. the acquisition of the Sunstone Embassy Suites Portfolio constitutes a "significant acquisition" of the Filer for the purposes of Part 8 of NI 51-102, requiring the Filer to file a BAR within 75 days of the acquisition pursuant to section 8.2(1) of NI 51-102;

Significance Tests for the BAR

9. under Part 8 of NI 51-102, the Filer is required to file a BAR for any completed acquisition that is determined to be significant based on the acquisition satisfying any of the three significance tests set out in section 8.3(2) of NI 51-102;
10. the acquisition of the Sunstone Embassy Suites Portfolio is not a significant acquisition under the asset test in section 8.3(2)(a) of NI 51-102 as the value of the Sunstone Embassy Suites Portfolio represented only approximately 10.0% of the consolidated assets of the Filer as of December 31, 2015;
11. the acquisition of the Sunstone Embassy Suites Portfolio is not a significant acquisition under the investment test in section 8.3(2)(b) of NI 51-102 as the Filer's acquisition costs represented only approximately 10.0% of the consolidated assets of the Filer as of December 31, 2015;
12. the acquisition of the Sunstone Embassy Suites Portfolio would, however, be a significant acquisition under the profit or loss test in section 8.3(2)(c) of NI 51-102; in particular, the Filer's proportionate share of the consolidated specified profit or loss of the Sunstone Embassy Suites Portfolio (with net operating income being used as proxy for the specified profit or loss of the Sunstone Embassy Suites Portfolio) exceeds 20% of the consolidated specified profit or loss of the Filer calculated using audited annual financial statements of the Filer and unaudited annual financial information for the Sunstone Embassy Suites Portfolio, in each case, for the year ended December 31, 2015;
13. the application of the profit or loss test produces an anomalous result for the Filer because it exaggerates the significance of the Acquisition out of proportion to its significance on an objective basis in comparison to the results of the asset test and investment test;

De Minimis Acquisition

14. the Filer does not believe (nor did it at the time that it made the acquisition) that the acquisition of the Sunstone Embassy Suites Portfolio is significant to it from a commercial, business, practical or financial perspective; and
15. the Filer has provided the principal regulator with additional operational measures that demonstrate the non-significance of the acquisition of the Sunstone Embassy Suites Portfolio to the Filer – these additional operational measures compared other operational information, being net operating income, revenue and number of guestrooms for the Sunstone Embassy Suites Portfolio, to that of the Filer, and the results of those measures are generally consistent with the results of the asset test and the investment test.

Decision

- 4 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.

“Peter Brady”
Executive Director
British Columbia Securities Commission

2.2 Orders

2.2.1 Janus Capital Management LLC – s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Foreign adviser exempted from the adviser registration requirement in paragraph 22(1)(b) of the Commodity Futures Act (Ontario) where such adviser acts as an adviser in respect of commodity futures contracts or commodity futures options (Contracts) for certain investors in Ontario who meet the definition of “permitted client” in NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Contracts are primarily traded on commodity futures exchanges outside of Canada and primarily cleared outside of Canada.

Terms and conditions of exemption correspond to the relevant terms and conditions of the comparable exemption from the adviser registration requirement available to international advisers in respect of securities set out in section 8.26 of NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Exemption also subject to a “sunset clause” condition.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20., as am., ss. 1(1), 22(1)(b), 80.
Securities Act, R.S.O. 1990, c. S.5, as am.

Instruments Cited

Ontario Securities Commission Rule 13-502 Fees.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1, 8.26.

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

AND

**IN THE MATTER OF
JANUS CAPITAL MANAGEMENT LLC**

**ORDER
(Section 80 of the CFA)**

UPON the application (the **Application**) of Janus Capital Management LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order of the Commission, pursuant to section 80 of the CFA that the Applicant and any individuals engaging in, or holding themselves out as engaging in, the business of advising others as to trading in Contracts (as defined below) on the Applicant’s behalf (the **Representatives**) be exempt, for a specified period of time, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, subject to certain terms and conditions.

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

AND WHEREAS for the purposes of this Order:

“**CFA Adviser Registration Requirement**” means the provisions of section 22 of the CFA that prohibits a person or company from acting as an adviser with respect to trading in Contracts unless the person or company is registered in the appropriate category of registration under the CFA;

“**CFTC**” means the Commodity Futures Trading Commission of the United States;

“**Contract**” has the meaning ascribed to that term in subsection 1(1) of the CFA;

“**Foreign Contract**” means a Contract that is primarily traded on one or more organized exchanges that are located outside of Canada and primarily cleared through one or more clearing corporations that are located outside of Canada;

“**International Adviser Exemption**” means the exemption set out in section 8.26 of NI 31-103 from the OSA Adviser Registration Requirement;

“**NFA**” means the National Futures Association of the United States;

“**NI 31-103**” means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, as amended from time to time;

“**OSA**” means the *Securities Act*, R.S.O. 1990, c. S.5, as amended from time to time;

“**OSA Adviser Registration Requirement**” means the provisions of section 25 of the OSA that prohibits a person or company from acting as an adviser with respect to investing in, buying or selling securities unless the person or company is registered in the appropriate category of registration under the OSA;

“**Permitted Client**” means a client in Ontario that is a “permitted client”, as that term is defined in section 1.1 of NI 31-103, except that for purposes of this Order such definition shall exclude a person or company registered under the securities or commodities legislation of a jurisdiction of Canada as an adviser or dealer;

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

“**specified affiliate**” has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*;

“**United States**” means the United States of America; and

“**United States Advisers Act**” means the *Investment Advisers Act of 1940* of the United States, as amended from time to time.

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a company incorporated under the laws of the State of Delaware, United States. Its principal place of business is located in Denver, Colorado.
2. The Applicant engages in the business of an adviser with respect to securities and with respect to Contracts in the United States. The Applicant provides investment management services on a fully discretionary basis to its clients through separately managed accounts across multiple strategies and financial instruments including equities, equity options and Foreign Contracts.
3. The Applicant is currently (a) registered with the SEC as an investment adviser under the United States Advisers Act; (b) registered with the CFTC as a commodity trading advisor and is a commodity pool operator; and (c) a member of the NFA.
4. The Applicant is not registered in any capacity under the CFA. The Applicant is registered as a portfolio manager and exempt market dealer in Ontario, Alberta, British Columbia, Manitoba and Québec.
5. The Applicant is not in default of securities legislation, commodity futures legislation or derivatives legislation of any jurisdiction in Canada. The Applicant is in compliance in all material respects with securities laws, commodity futures laws and derivatives laws of the United States.
6. In Ontario, certain institutional investors that are Permitted Clients seek to engage the Applicant as a discretionary investment manager for purposes of implementing certain specialized investment strategies.
7. The Applicant seeks to act as a discretionary commodity futures advisory manager for Canadian institutional investors that are Permitted Clients. The Applicant’s advisory services to Permitted Clients would primarily include the use of specialized investment strategies employing Foreign Contracts.
8. Were the proposed advisory services limited to securities (as defined in subsection 1(1) of the OSA) the Applicant would be able to rely on the International Adviser Exemption and carry out such activities for Permitted Clients on a basis that would be exempt from the OSA Adviser Registration Requirement.
9. There is currently no exemption from the CFA Adviser Registration Requirement that is equivalent to the International Adviser Exemption. Consequently, in order to advise Permitted Clients as to trading in Foreign Contracts, in the absence of this Order, the Applicant would be required to satisfy the CFA Adviser Registration Requirement by applying for and obtaining registration in Ontario as an adviser under the CFA in the category of commodity trading manager.

10. To the best of the Applicant's knowledge, The Applicant confirms that there are currently no regulatory actions of the type contemplated by the Notice of Regulatory Action attached as Appendix "B".

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to make this Order;

IT IS ORDERED, pursuant to section 80 of the CFA, that the Applicant and the Representatives are exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA in respect of providing advice to Permitted Clients as to the trading of Foreign Contracts provided that:

- (a) the Applicant provides advice to Permitted Clients only as to trading in Foreign Contracts and does not advise any Permitted Client as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts;
- (b) the Applicant's head office or principal place of business remains in the United States;
- (c) the Applicant is registered in a category of registration, or operates under an exemption from registration, under the applicable securities or commodity futures legislation of the United States that permits it to carry on the activities in the United States that registration under the CFA as an adviser in the category of commodity trading manager would permit it to carry on in Ontario;
- (d) the Applicant continues to engage in the business of an adviser (as defined in the CFA) in the United States;
- (e) as at the end of the Applicant's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the Applicant, its affiliates and its affiliated partnerships was derived from the portfolio management activities of the Applicant, its affiliates and its affiliated partnerships in Canada (which, for greater certainty, includes both securities-related and commodity-futures-related activities);
- (f) before advising a Permitted Client with respect to Foreign Contracts, the Applicant notifies the Permitted Client of all of the following:
 - (i) the Applicant is not registered in Ontario to provide the advice described in paragraph (a) of this Order;
 - (ii) the foreign jurisdiction in which the Applicant's head office or principal place of business is located;
 - (iii) all or substantially all of the Applicant's assets may be situated outside of Canada;
 - (iv) there may be difficulty enforcing legal rights against the Applicant because of the above; and
 - (v) the name and address of the Applicant's agent for service of process in Ontario;
- (g) the Applicant has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix "A";
- (h) the Applicant notifies the Commission of any regulatory action initiated after the date of this Order with respect to the Applicant or any predecessors or the specified affiliates of the Applicant by completing and filing Appendix "B" within 10 days of the commencement of each such action, provided that the Applicant may also satisfy this condition by filing with the Commission,
 - (i) within 10 days of the date of this Order, a notice making reference to and incorporating by reference the disclosure made by the Applicant pursuant to federal securities laws of the United States that is identified on the Investment Adviser Public Disclosure website, and
 - (ii) promptly, a notification of any Form ADV amendment and/or filing with the SEC that relates to legal and/or regulatory actions; and
- (j) if the Applicant is not registered under the OSA and does not rely on the International Adviser Exemption, by December 31st of each year, the Applicant pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of Ontario Securities Commission Rule 13-502 Fees as if the Applicant relied on the International Adviser Exemption; and

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

Decisions, Orders and Rulings

- (a) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;
- (b) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of the Applicant to act as an adviser to a Permitted Client; and
- (c) five years after the date of this Order.

DATED at Toronto, Ontario, this 3rd day of March, 2017.

Anne Marie Ryan”
Commissioner
Ontario Securities Commission

“Janet Leiper”
Commissioner
Ontario Securities Commission

APPENDIX "A"

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE
INTERNATIONAL DEALER OR INTERNATIONAL ADVISER
EXEMPTED FROM REGISTRATION UNDER THE COMMODITY FUTURES ACT, ONTARIO

1. Name of person or company ("International Firm"):
2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:
3. Jurisdiction of incorporation of the International Firm:
4. Head office address of the International Firm:
5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

Name:
E-mail address:
Phone:
Fax:
6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "Relief Order"):

 Section 8.18 [*international dealer*]

 Section 8.26 [*international adviser*]

 Other [specify]:
7. Name of agent for service of process (the "Agent for Service"):
8. Address for service of process on the Agent for Service:
9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.
10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.
11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator
 - a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;
 - b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service;
 - c. a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.
12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Decisions, Orders and Rulings

Dated: _____

(Signature of the International Firm or authorized signatory)

(Name of signatory)

(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of _____ [Insert name of International Firm] under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

(Signature of the Agent for Service or authorized signatory)

(Name of signatory)

(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

<https://www.osc.gov.on.ca/filings>

APPENDIX "B"

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates¹ of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

If yes, provide the following information for each settlement agreement:

| |
|---------------------------------|
| Name of entity |
| Regulator/organization |
| Date of settlement (yyyy/mm/dd) |
| Details of settlement |
| Jurisdiction |

2. Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

| | Yes | No |
|---|-----|-----|
| a) Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization? | ___ | ___ |
| (b) Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission? | ___ | ___ |
| (c) Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm? | ___ | ___ |
| (d) Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm? | ___ | ___ |
| (e) Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm? | ___ | ___ |
| (f) Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm? | ___ | ___ |
| (g) Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)? | ___ | ___ |

If yes, provide the following information for each action:

| | |
|-----------------------------|-------------------|
| Name of entity | |
| Type of action | |
| Regulator/organization | |
| Date of action (yyyy/mm/dd) | Reason for action |
| Jurisdiction | |

¹ In this Appendix, the term "specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

Decisions, Orders and Rulings

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

Yes ____ No ____

If yes, provide the following information for each investigation:

| |
|---|
| Name of entity |
| Reason or purpose of investigation |
| Regulator/organization |
| Date investigation commenced (yyyy/mm/dd) |
| Jurisdiction |

| |
|---|
| Name of firm: |
| Name of firm's authorized signing officer or partner |
| Title of firm's authorized signing officer or partner |
| Signature |
| Date (yyyy/mm/dd) |

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

| |
|-------------------|
| Name of witness |
| Title of witness |
| Signature |
| Date (yyyy/mm/dd) |

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

<https://www.osc.gov.on.ca/filings>

2.2.2 Krishna Sammy

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

AND

IN THE MATTER OF
A REQUEST FOR A HEARING AND REVIEW OF
THE DECISION OF A HEARING PANEL OF
THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA

AND

IN THE MATTER OF
KRISHNA SAMMY

ORDER

WHEREAS:

1. on March 8, 2017, the Ontario Securities Commission (“Commission”) held a confidential pre-hearing conference by teleconference with respect to an application by Krishna Sammy (“Sammy”) for a Hearing and Review of the decision of a Hearing Panel of the Investment Industry Regulatory Organization of Canada (“IIROC”) dated January 22, 2016 (the “Application for Hearing and Review”); and
2. counsel for IIROC, counsel for Commission Staff, and counsel for Sammy agreed to adjourn the hearing for the Application for Hearing and Review to May 3, 2017;

IT IS ORDERED that:

1. Commission Staff and IIROC Staff shall serve and file responding written submissions by no later than 4:30 p.m. EDT on March 31, 2017;
2. Sammy shall serve and file reply submissions, if any, by no later than 4:30 p.m. EDT on April 7, 2017;
3. the hearing of the Application for Hearing and Review shall commence on May 3, 2017, at 10:00 a.m. EDT.

DATED at Toronto, this 8th day of March 2017.

“Timothy Moseley”

2.2.3 Mark Steven Rotstein and Equilibrium Partners Inc.

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

AND

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

ORDER

WHEREAS:

1. on February 29, 2016, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing in respect of a Statement of Allegations filed by Staff of the Commission (“Staff”) on February 29, 2016, in which Staff sought an order against Mark Steven Rotstein and Equilibrium Partners Inc. (the “Respondents”) pursuant to subsection 127(1) and section 127.1 of the *Securities Act*, RSO 1990, c S.5 (the “Act”);
2. on September 15, 2016, counsel for Staff and counsel for the Respondents appeared before the Commission and made submissions;
3. on September 16, 2016, the Commission ordered, among other things, that the final interlocutory appearance be held on March 16, 2017 at 10:00 a.m.; and
4. Staff and the Respondents seek an adjournment of the final interlocutory appearance to a date to be fixed by the Secretary’s office;

IT IS ORDERED that the final interlocutory appearance is adjourned to a date to be fixed by the Secretary’s Office.

DATED at Toronto this 9th day of March, 2017.

“Timothy Moseley”

2.2.4 Estrella International Energy Services Ltd.

Headnote

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

Applicable Legislative Provisions

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

Citation: Re Estrella International Energy Services Ltd., 2017 ABASC 39

March 8, 2017

**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
ESTRELLA INTERNATIONAL ENERGY SERVICES LTD.
(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; 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

2.2.5 Royal Bank of Canada and The Toronto-Dominion Bank – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from the requirements applicable to issuer bids in Part 2 of NI 62-104 – issuer proposes to purchase, pursuant to a repurchase program and at a discounted purchase price, up to a specified number of its common shares under its normal course issuer bid from a third party – the third party will abide by the requirements governing normal course issuer bids as though it was the issuer, subject to certain modifications, including that the third party will not make any purchases under the program pursuant to a pre-arranged trade – common shares delivered to the issuer for cancellation will be common shares from the third party's existing inventory – the third party will purchase common shares under the program on the same basis as if the Issuer had conducted the bid in reliance on the normal course issuer bid exemptions set out in securities legislation – no adverse economic impact on, or prejudice to, the Issuer or its security holders – acquisition of securities exempt from the requirements applicable to issuer bids in Part 2 of NI 62-104, subject to conditions, including that the number of common shares transferred by the third party from its existing inventory to the issuer for purchase under the program be equivalent to the number of common shares that the third party has purchased, or had purchased on its behalf, on Canadian markets.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

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

AND

**IN THE MATTER OF
ROYAL BANK OF CANADA AND
THE TORONTO-DOMINION BANK**

ORDER

(Section 6.1 of National Instrument 62-104)

UPON the application (the “**Application**”) of Royal Bank of Canada (the “**Issuer**”) and The Toronto-Dominion Bank (“**TD**”, and together with the Issuer, the “**Filers**”) to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (“**NI 62-104**”) exempting the Issuer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the “**Issuer Bid Requirements**”) in respect of the proposed purchases by the Issuer of up to 10,000,000 (the “**Program Maximum**”) of its common shares (the “**Common Shares**”) from TD pursuant to a share repurchase program (the “**Program**”);

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

AND UPON the Issuer having represented to the Commission the matters set out in paragraphs 1 to 4, inclusive, 7, 9 to 20, inclusive, 22 to 28, inclusive, 32, 34, 36 to 38, inclusive, 40 and 41;

AND UPON TD and TD Securities Inc. (“**TD Securities**”) and together with TD, the “**TD Entities**”) having represented to the Commission the matters set out in paragraphs 5 to 10, inclusive, 18, 21 to 23 inclusive, 27, 29 to 33 inclusive, 35, 39, 41 and 42 as they relate to the TD Entities;

1. The Issuer is a Schedule I bank governed by the *Bank Act* (Canada).
2. The Issuer's corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, Canada and its head office is located at 1 Place Ville-Marie, Montreal, Quebec, Canada.
3. The Issuer is a reporting issuer in each of the provinces and territories of Canada (the “**Jurisdictions**”) and the Common Shares are listed for trading on the TSX, the New York Stock Exchange (“**NYSE**”) and the SIX Swiss Exchange under the symbols “RY”, “RY:US” and “RY”, respectively. The Issuer is not in default of any requirement of the securities legislation of the Jurisdictions.
4. The authorized share capital of the Issuer consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of first preferred shares and second preferred shares without nominal or par value,

issuable in series which classes may be issued for a maximum consideration of \$20 billion and \$5 billion, respectively. As at February 27, 2017, the Issuer had the following shares outstanding:

| | Number of shares |
|---|------------------|
| Common Shares outstanding | 1,475,793,585 |
| First preferred shares outstanding | |
| Non-cumulative Series W | 12,000,000 |
| Non-cumulative Series AA | 12,000,000 |
| Non-cumulative Series AB | 12,000,000 |
| Non-cumulative Series AC | 8,000,000 |
| Non-cumulative Series AD | 10,000,000 |
| Non-cumulative Series AE | 10,000,000 |
| Non-cumulative Series AF | 8,000,000 |
| Non-cumulative Series AG | 10,000,000 |
| Non-cumulative Series AJ | 13,578,815 |
| Non-cumulative Series AK | 2,421,285 |
| Non-cumulative Series AL | 12,000,000 |
| Non-cumulative Series AZ | 20,000,000 |
| Non-cumulative Series BB | 20,000,000 |
| Non-cumulative Series BD | 24,000,000 |
| Non-cumulative Series BF | 12,000,000 |
| Non-cumulative Series BH | 6,000,000 |
| Non-cumulative Series BI | 6,000,000 |
| Non-cumulative Series BJ | 6,000,000 |
| Non-cumulative Series BK | 29,000,000 |
| Non-cumulative Series BM | 30,000,000 |
| Non-cumulative Series C-1 | 3,282,000 |
| Non-cumulative Series C-2 | 815,400 |

5. TD is a Schedule I bank governed by the *Bank Act* (Canada). The head office of TD is located in Toronto, Canada.
6. TD Securities Inc. is registered as an investment dealer under the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Newfoundland and Labrador, New Brunswick, Prince Edward Island, Yukon, the Northwest Territories and Nunavut. It is also registered as a futures commission merchant under the *Commodity Futures Act* (Ontario), as a derivatives dealer under the *Derivatives Act* (Québec), and as dealer (futures commission merchant) under *The Commodity Futures Act* (Manitoba). TD Securities is a member of the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Canadian Investor Protection Fund, a participating organization or member of the TSX, TSX Venture Exchange and Canadian Securities Exchange, and an approved participant of the Bourse de Montréal. The head office of TD Securities is located in Toronto, Ontario.
7. Each proposed purchase will be executed and settled in the Province of Ontario.
8. TD does not own, directly or indirectly, more than 5% of the issued and outstanding Common Shares.

9. TD is the beneficial owner of at least 10,000,000 Common Shares, none of which were acquired by, or on behalf of, TD in anticipation or contemplation of resale to the Issuer (such Common Shares over which TD has beneficial ownership, the “**Inventory Shares**”). All of the Inventory Shares are held by TD in the Province of Ontario. No Common Shares were purchased by, or on behalf of, TD on or after January 21, 2017, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares by TD to the Issuer.
10. TD is at arm’s length to the Issuer and is not an “insider” of the Issuer, or an “associate” of an “insider” of the Issuer, or an “associate” or “affiliate” of the Issuer, as such terms are defined in the *Securities Act* (Ontario) (the “**Act**”). TD is an “accredited investor” within the meaning of National Instrument 45-106 *Prospectus Exemptions*.
11. Pursuant to a Notice of Intention to Make a Normal Course Issuer Bid (the “**Notice**”), which was accepted by the TSX effective March 9, 2017, the Issuer was permitted to make a normal course issuer bid (the “**NCIB**”) to purchase up to 30,000,000 Common Shares, representing approximately 2% of the Issuer’s then outstanding Common Shares. The Notice specifies that purchases made under the NCIB are to be conducted through the facilities of the TSX, the NYSE and other designated exchanges and Canadian alternative trading systems, if eligible, or by such other means as may be permitted by the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the “**TSX Rules**”), or by such other means as may be permitted by the TSX, a securities regulatory authority or applicable securities laws and regulations, including under automatic purchase plans and by private agreements or share repurchase programs under issuer bid exemption orders issued by securities regulatory authorities.
12. The NCIB is being conducted in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(2) of NI 62-104 (the “**Designated Exchange Exemption**”).
13. The NCIB is also being conducted in the normal course on the NYSE and other permitted published markets (collectively with the NYSE, the “**Other Published Markets**”) in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(3) of NI 62-104 (the “**Other Published Markets Exemption**”), and together with the Designated Exchange Exemption, the “**Exemptions**”).
14. Pursuant to the TSX Rules, the Issuer has appointed RBC Dominion Securities Inc. as its designated broker in respect of the NCIB (the “**Responsible Broker**”).
15. The Issuer has not established an automatic share repurchase plan in connection with the NCIB.
16. During the course of the NCIB, Common Shares may be purchased by trustees or administrators that are not independent of the Issuer (a “**Plan Trustee**”) in the open market to satisfy net requirements of certain employee plans (“**Plan Trustee Purchases**”). The maximum number of Common Shares that the Issuer is permitted to repurchase under the NCIB, being 30,000,000, will be reduced by the number of Plan Trustee Purchases other than Exempted Plan Trustee Purchases (as defined below).
17. Pursuant to relief granted by the TSX, certain of the Issuer’s broadly-based, market-sourced, employee-directed employee share purchase plans were exempted from the provisions of the TSX Rules that would deem the plans to have non-independent trustees (the “**Exempted Plans**”). Other than purchases made under the Exempted Plans (“**Exempted Plan Trustee Purchases**”), no Plan Trustee Purchases will be made during the Program Term (as defined below).
18. The Filers wish to participate in the Program during, and as part of, the NCIB to enable the Issuer to purchase from TD, and for TD to sell to the Issuer, that number of Common Shares equal to the Program Maximum.
19. To the best of the Issuer’s knowledge the “public float” (calculated in accordance with the TSX Rules) for the Common Shares as at March 7, 2017 consisted of 1,471,294,105 Common Shares. The Common Shares are “highly-liquid securities” as that term is defined in section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* (“**OSC Rule 48-501**”) and section 1.1 of the Universal Market Integrity Rules (“**UMIR**”).
20. Concurrently with this Application, the Issuer has filed an additional application with the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 5,000,000 Common Shares from The Bank of Nova Scotia (“**BNS**”) pursuant to a share repurchase program (the “**BNS Program**”). The BNS Program will begin on the Trading Day (as defined below) following completion or termination of the Program and will terminate on the earlier of April 27, 2017 and the date on which the Issuer will have purchased 5,000,000 Common Shares from BNS under the BNS Program.
21. Pursuant to the terms of the Program Agreement (as defined below), TD Securities has been retained by TD to acquire Common Shares through the facilities of the TSX and on Other Published Markets in Canada (each, a “**Canadian Other Published Market**” and collectively with the TSX, the “**Canadian Markets**”) under the Program. No Common

Shares will be acquired under the Program on any Other Published Markets other than Canadian Other Published Markets.

22. The Program will be governed by, and conducted in accordance with, the terms and conditions of a Share Repurchase Program Agreement (the “**Program Agreement**”) that will be entered into among the Filers and TD Securities prior to the commencement of the Program and a copy of which will be delivered by the Filers to the Commission promptly thereafter.
23. The Program will begin on or after March 14, 2017 and will terminate on the earlier of April 13, 2017 and the date on which the Issuer will have purchased the Program Maximum under the Program (the “**Program Term**”). Neither the Issuer nor any of the TD Entities may unilaterally terminate the Program Agreement during the Program Term, except in the case of an event of default by a party thereunder or a change in law or announced change in law that would have adverse consequences to the transactions contemplated thereunder or to the Issuer or the TD Entities.
24. At least two clear Trading Days (as defined below) prior to the commencement of the Program, the Issuer will issue a press release that has been pre-cleared by the TSX that describes the material features of the Program and discloses the Issuer’s intention to participate in the Program during the NCIB (the “**Press Release**”).
25. The Program Maximum will be less than the number of Common Shares remaining that the Issuer is entitled to acquire under the NCIB, calculated as at the date of the Program Agreement.
26. The TSX: (a) will be advised of the Issuer’s intention to enter into the Program; (b) will be provided with a copy of the Program Agreement; and (c) will have pre-cleared the Program.
27. During the Program Term, TD Securities will purchase Common Shares on the applicable Trading Day (as defined below) in accordance with instructions received by TD Securities from the Issuer prior to the opening of trading on such day, which instructions will be the same instructions that the Issuer would give to the Responsible Broker, as its designated broker in respect of the NCIB if the Issuer was conducting the NCIB in reliance on the Exemptions.
28. The Issuer will not give purchase instructions in respect of the Program to TD Securities at any time that the Issuer is aware of Undisclosed Information (as defined below).
29. All Common Shares acquired for the purposes of the Program by TD Securities on a day during the Program Term on which Canadian Markets are open for trading (each, a “**Trading Day**”) must be acquired on Canadian Markets in accordance with the TSX Rules and any by-laws, rules, regulations or policies of any Canadian Markets upon which purchases are carried out (collectively, the “**NCIB Rules**”) that would be applicable to the Issuer in connection with the NCIB, provided that:
 - (a) the aggregate number of Common Shares to be acquired on Canadian Markets by TD Securities on each Trading Day shall not exceed the maximum daily limit that is imposed upon the NCIB pursuant to the TSX Rules, determined with reference to an average daily trading volume that is based on the trading volume of the Common Shares on all Canadian Markets rather than being limited to the trading volume on the TSX only (the “**Modified Maximum Daily Limit**”), it being understood that the aggregate number of Common Shares to be acquired on the TSX by TD Securities on each Trading Day will not exceed the maximum daily limit that is imposed on the NCIB pursuant to the TSX Rules; and
 - (b) notwithstanding the block purchase exception provided for in the TSX Rules, no purchases will be made by TD Securities on any Canadian Markets pursuant to a pre-arranged trade.
30. The aggregate number of Common Shares acquired by TD Securities in connection with the Program:
 - (a) shall not exceed the Program Maximum; and
 - (b) on Canadian Other Published Markets, shall not exceed that number of Common Shares remaining eligible for purchase by the Issuer pursuant to the Other Published Markets Exemption, calculated as at the date of the Program Agreement.
31. On every Trading Day, TD Securities will purchase the Number of Common Shares. The “**Number of Common Shares**” will be no greater than the least of:
 - (a) the maximum number of Common Shares established in the instructions received by TD Securities from the Issuer prior to the opening of trading on such day;

- (b) the Program Maximum less the aggregate number of Common Shares previously purchased by TD Securities under the Program;
- (c) on a Trading Day where trading ceases on the TSX or some other event that would impair TD Securities' ability to acquire Common Shares on Canadian Markets occurs (a "**Market Disruption Event**"), the number of Common Shares acquired by TD Securities on such Trading Day up until the time of the Market Disruption Event; and
- (d) the Modified Maximum Daily Limit.

The "**Discounted Price**" per Common Share will be equal to: (a) the volume weighted average price of the Common Shares on the Canadian Markets on the Trading Day on which purchases were made less an agreed upon discount; or (b) upon the occurrence of a Market Disruption Event, the volume weighted average price of the Common Shares on the Canadian Markets at the time of the Market Disruption Event less an agreed upon discount.

- 32. TD will deliver to the Issuer that number of Inventory Shares equal to the number of Common Shares purchased by TD Securities on a Trading Day under the Program on the Trading Day immediately thereafter, and the Issuer will pay TD a purchase price equal to the Discounted Price for each such Inventory Share. Each Inventory Share purchased by the Issuer under the Program will be cancelled upon delivery to the Issuer.
- 33. TD will not sell any Inventory Shares to the Issuer under the Program unless TD Securities has purchased the equivalent number of Common Shares on Canadian Markets. The number of Common Shares that are purchased by TD Securities on Canadian Markets on a Trading Day will be equal to the Number of Common Shares for such Trading Day. TD Securities will provide the Issuer with a daily written report of TD Securities' purchases, which report will indicate, *inter alia*, the aggregate number of Common Shares acquired, the Canadian Market on which such Common Shares were acquired, and the Modified Maximum Daily Limit.
- 34. During the Program Term, the Issuer will: (a) not purchase any Common Shares (other than Inventory Shares purchased under the Program); (b) prohibit the Responsible Broker from acquiring any Common Shares on its behalf; and (c) prohibit any Plan Trustee from undertaking any Plan Trustee Purchases other than Exempted Plan Trustee Purchases.
- 35. All purchases of Common Shares under the Program will be made by TD Securities and neither of the TD Entities will engage in any hedging activity in connection with the conduct of the Program.
- 36. The Issuer will report its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules. In addition, immediately following the completion of the Program, the Issuer will: (a) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (b) file a notice on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") disclosing the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares.
- 37. The Issuer is of the view that: (a) it will be able to purchase Common Shares from TD at a lower price than the price at which it would be able to purchase an equivalent quantity of Common Shares under the NCIB in reliance on the Exemptions; and (b) the purchase of Common Shares pursuant to the Program is in the best interests of the Issuer and constitutes a desirable use of the Issuer's funds.
- 38. The entering into of the Program Agreement, the purchase of Common Shares by TD Securities in connection with the Program, and the sale of Inventory Shares by TD to the Issuer will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect control of the Issuer.
- 39. The sale of Inventory Shares to the Issuer by TD will not be a "distribution" (as defined in the Act).
- 40. The Issuer will be able to acquire the Inventory Shares from TD without the Issuer being subject to the dealer registration requirements of the Act.
- 41. At the time that the Issuer and the TD Entities enter into the Program Agreement, neither the Issuer, nor any member of the Equity Derivatives group of TD, nor any personnel of either of the TD Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) with respect to the Issuer or the Common Shares that has not been generally disclosed (the "**Undisclosed Information**").
- 42. Each of the TD Entities:

- (a) has policies and procedures in place to ensure that the Program will be conducted in accordance with, among other things, the Program Agreement and this Order, and to preclude those persons responsible for administering the Program from acquiring any Undisclosed Information during the conduct of the Program; and
- (b) will, prior to entering into the Program Agreement: (i) ensure that its systems are capable of adhering to, and performing in accordance with, the requirements of the Program and this Order; and (ii) provide all necessary training and take all necessary actions to ensure that the persons administering and executing the purchases under the Program are aware of, and understand the terms of, this Order.

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

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Issuer be exempt from the Issuer Bid Requirements in respect of the purchase of Inventory Shares from TD pursuant to the Program, provided that:

- (a) at least two clear trading days prior to the commencement of the Program, the Issuer issues the Press Release;
- (b) all purchases of Common Shares under the Program are made on Canadian Markets by TD Securities, and are:
 - (i) made in accordance with the NCIB Rules applicable to the NCIB, as modified by paragraph 29 of this Order;
 - (ii) taken into account by the Issuer when calculating the maximum annual aggregate limits that are imposed upon the NCIB in accordance with the TSX Rules, with those Common Shares purchased on Canadian Other Published Markets being taken into account by the Issuer when calculating the maximum aggregate limits that are imposed upon the Issuer in accordance with the Other Published Markets Exemption;
 - (iii) marked with such designation, as would be required by the applicable marketplace and UMIR for trades made by an agent of the Issuer; and
 - (iv) monitored by the TD Entities on a continual basis for the purposes of ensuring compliance with the terms of this Order, NCIB Rules, and applicable securities law;
- (c) during the Program Term: (i) the Issuer does not purchase any Common Shares (other than Inventory Shares purchased under the Program); (ii) no Common Shares are purchased on behalf of the Issuer by the Responsible Broker; and (iii) no Plan Trustee Purchases are undertaken by any Plan Trustee (other than Exempted Plan Trustee Purchases);
- (d) the number of Inventory Shares transferred by TD to the Issuer for purchase under the Program in respect of a particular Trading Day is equal to the number of Common Shares purchased by TD Securities on Canadian Markets in respect of the Trading Day;
- (e) no hedging activity is engaged in by the TD Entities in connection with the conduct of the Program;
- (f) at the time that the Program Agreement is entered into by the Filers and TD Securities:
 - (i) the Common Shares are “highly liquid securities”, as that term is defined in section 1.1 of OSC Rule 48-501 and section 1.1 of UMIR; and
 - (ii) none of the Issuer, any member of the Equity Derivatives group of TD, or any personnel of either of the TD Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, was aware of any Undisclosed Information;
- (g) no purchase instructions in respect of the Program are given by the Issuer to TD Securities at any time that the Issuer is aware of Undisclosed Information;
- (h) the TD Entities maintain records of all purchases of Common Shares that are made by TD Securities pursuant to the Program, which will be available to the Commission and IIROC upon request; and

- (i) in addition to reporting its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules, immediately following the completion of the Program, the Issuer will: (i) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (ii) file a notice on SEDAR disclosing the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares.

DATED at Toronto, Ontario this 9th day of March, 2017.

“Naizam Kanji”
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.2.6 Royal Bank of Canada and The Bank of Nova Scotia – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from the requirements applicable to issuer bids in Part 2 of NI 62-104 – issuer proposes to purchase, pursuant to a repurchase program and at a discounted purchase price, up to a specified number of its common shares under its normal course issuer bid from a third party – the third party will abide by the requirements governing normal course issuer bids as though it was the issuer, subject to certain modifications, including that the third party will not make any purchases under the program pursuant to a pre-arranged trade – common shares delivered to the issuer for cancellation will be common shares from the third party's existing inventory – the third party will purchase common shares under the program on the same basis as if the Issuer had conducted the bid in reliance on the normal course issuer bid exemptions set out in securities legislation – no adverse economic impact on, or prejudice to, the Issuer or its security holders – acquisition of securities exempt from the requirements applicable to issuer bids in Part 2 of NI 62-104, subject to conditions, including that the number of common shares transferred by the third party from its existing inventory to the issuer for purchase under the program be equivalent to the number of common shares that the third party has purchased, or had purchased on its behalf, on Canadian markets.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

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

AND

**IN THE MATTER OF
ROYAL BANK OF CANADA AND
THE BANK OF NOVA SCOTIA**

ORDER

(Section 6.1 of National Instrument 62-104)

UPON the application (the “**Application**”) of Royal Bank of Canada (the “**Issuer**”) and The Bank of Nova Scotia (“**BNS**”, and together with the Issuer, the “**Filers**”) to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (“**NI 62-104**”) exempting the Issuer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the “**Issuer Bid Requirements**”) in respect of the proposed purchases by the Issuer of up to 5,000,000 (the “**Program Maximum**”) of its common shares (the “**Common Shares**”) from BNS pursuant to a share repurchase program (the “**Program**”);

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

AND UPON the Issuer having represented to the Commission the matters set out in paragraphs 1 to 4, inclusive, 7, 9 to 20, inclusive, 22 to 28, inclusive, 32, 34, 36 to 38, inclusive, 40 and 41;

AND UPON BNS and Scotia Capital Inc. (“**SCI**” and together with BNS, the “**BNS Entities**”) having represented to the Commission the matters set out in paragraphs 5 to 10, inclusive, 18, 21 to 23 inclusive, 27, 29 to 33 inclusive, 35, 39, 41 and 42 as they relate to the BNS Entities;

1. The Issuer is a Schedule I bank governed by the *Bank Act* (Canada).
2. The Issuer's corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, Canada and its head office is located at 1 Place Ville-Marie, Montreal, Quebec, Canada.
3. The Issuer is a reporting issuer in each of the provinces and territories of Canada (the “**Jurisdictions**”) and the Common Shares are listed for trading on the TSX, the New York Stock Exchange (“**NYSE**”) and the SIX Swiss Exchange under the symbols “RY”, “RY:US” and “RY”, respectively. The Issuer is not in default of any requirement of the securities legislation of the Jurisdictions.
4. The authorized share capital of the Issuer consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of first preferred shares and second preferred shares without nominal or par value,

issuable in series which classes may be issued for a maximum consideration of \$20 billion and \$5 billion, respectively. As at February 27, 2017, the Issuer had the following shares outstanding:

| | Number of shares |
|---|------------------|
| Common Shares outstanding | 1,475,793,585 |
| First preferred shares outstanding | |
| Non-cumulative Series W | 12,000,000 |
| Non-cumulative Series AA | 12,000,000 |
| Non-cumulative Series AB | 12,000,000 |
| Non-cumulative Series AC | 8,000,000 |
| Non-cumulative Series AD | 10,000,000 |
| Non-cumulative Series AE | 10,000,000 |
| Non-cumulative Series AF | 8,000,000 |
| Non-cumulative Series AG | 10,000,000 |
| Non-cumulative Series AJ | 13,578,815 |
| Non-cumulative Series AK | 2,421,285 |
| Non-cumulative Series AL | 12,000,000 |
| Non-cumulative Series AZ | 20,000,000 |
| Non-cumulative Series BB | 20,000,000 |
| Non-cumulative Series BD | 24,000,000 |
| Non-cumulative Series BF | 12,000,000 |
| Non-cumulative Series BH | 6,000,000 |
| Non-cumulative Series BI | 6,000,000 |
| Non-cumulative Series BJ | 6,000,000 |
| Non-cumulative Series BK | 29,000,000 |
| Non-cumulative Series BM | 30,000,000 |
| Non-cumulative Series C-1 | 3,282,000 |
| Non-cumulative Series C-2 | 815,400 |

5. BNS is a Schedule I bank governed by the *Bank Act* (Canada). The corporate headquarters of BNS are located in Toronto, Ontario.
6. SCI is registered as an investment dealer under the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Newfoundland and Labrador, New Brunswick, Prince Edward Island, Yukon, the Northwest Territories and Nunavut. SCI is a member of the Investment Industry Regulatory Organization of Canada ("IIROC") and the Canadian Investor Protection Fund, a participating organization or member of the TSX, TSX Venture Exchange and Canadian Securities Exchange, and an approved participant of the Bourse de Montréal. The head office of SCI is located in Toronto, Ontario.
7. Each proposed purchase will be executed and settled in the Province of Ontario.
8. BNS does not own, directly or indirectly, more than 5% of the issued and outstanding Common Shares.
9. BNS is the beneficial owner of at least 5,000,000 Common Shares, none of which were acquired by, or on behalf of, BNS in anticipation or contemplation of resale to the Issuer (such Common Shares over which BNS has beneficial

ownership, the **“Inventory Shares”**). All of the Inventory Shares are held by BNS in the Province of Ontario. No Common Shares were purchased by, or on behalf of, BNS on or after January 28, 2017, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares by BNS to the Issuer.

10. BNS is at arm’s length to the Issuer and is not an “insider” of the Issuer, or an “associate” of an “insider” of the Issuer, or an “associate” or “affiliate” of the Issuer, as such terms are defined in the *Securities Act* (Ontario) (the **“Act”**). BNS is an “accredited investor” within the meaning of National Instrument 45-106 *Prospectus Exemptions*.
11. Pursuant to a Notice of Intention to Make a Normal Course Issuer Bid (the **“Notice”**), which was accepted by the TSX effective March 9, 2017, the Issuer was permitted to make a normal course issuer bid (the **“NCIB”**) to purchase up to 30,000,000 Common Shares, representing approximately 2% of the Issuer’s then outstanding Common Shares. The Notice specifies that purchases made under the NCIB are to be conducted through the facilities of the TSX, the NYSE and other designated exchanges and Canadian alternative trading systems, if eligible, or by such other means as may be permitted by the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the **“TSX Rules”**), or by such other means as may be permitted by the TSX, a securities regulatory authority or applicable securities laws and regulations, including under automatic purchase plans and by private agreements or share repurchase programs under issuer bid exemption orders issued by securities regulatory authorities.
12. The NCIB is being conducted in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(2) of NI 62-104 (the **“Designated Exchange Exemption”**).
13. The NCIB is also being conducted in the normal course on the NYSE and other permitted published markets (collectively with the NYSE, the **“Other Published Markets”**) in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(3) of NI 62-104 (the **“Other Published Markets Exemption”**), and together with the Designated Exchange Exemption, the **“Exemptions”**).
14. Pursuant to the TSX Rules, the Issuer has appointed RBC Dominion Securities Inc. as its designated broker in respect of the NCIB (the **“Responsible Broker”**).
15. The Issuer has not established an automatic share repurchase plan in connection with the NCIB.
16. During the course of the NCIB, Common Shares may be purchased by trustees or administrators that are not independent of the Issuer (a **“Plan Trustee”**) in the open market to satisfy net requirements of certain employee plans (**“Plan Trustee Purchases”**). The maximum number of Common Shares that the Issuer is permitted to repurchase under the NCIB, being 30,000,000, will be reduced by the number of Plan Trustee Purchases other than Exempted Plan Trustee Purchases (as defined below).
17. Pursuant to relief granted by the TSX, certain of the Issuer’s broadly-based, market-sourced, employee-directed employee share purchase plans were exempted from the provisions of the TSX Rules that would deem the plans to have non-independent trustees (the **“Exempted Plans”**). Other than purchases made under the Exempted Plans (**“Exempted Plan Trustee Purchases”**), no Plan Trustee Purchases will be made during the Program Term (as defined below).
18. The Filers wish to participate in the Program during, and as part of, the NCIB to enable the Issuer to purchase from BNS, and for BNS to sell to the Issuer, that number of Common Shares equal to the Program Maximum.
19. To the best of the Issuer’s knowledge the “public float” (calculated in accordance with the TSX Rules) for the Common Shares as at March 7, 2017 consisted of 1,471,294,105 Common Shares. The Common Shares are “highly-liquid securities” as that term is defined in section 1.1 of OSC Rule 48-501 Trading during Distributions, Formal Bids and Share Exchange Transactions (**“OSC Rule 48-501”**) and section 1.1 of the Universal Market Integrity Rules (**“UMIR”**).
20. Concurrently with this Application, the Issuer has filed an additional application with the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 10,000,000 Common Shares from The Toronto-Dominion Bank (**“TD”**) pursuant to a share repurchase program (the **“TD Program”**). The TD Program will begin on or after March 14, 2017 and will terminate on the earlier of April 13, 2017 and the date on which the Issuer will have purchased 10,000,000 Common Shares from TD under the TD Program.
21. Pursuant to the terms of the Program Agreement (as defined below), SCI has been retained by BNS to acquire Common Shares through the facilities of the TSX and on Other Published Markets in Canada (each, a **“Canadian Other Published Market”** and collectively with the TSX, the **“Canadian Markets”**) under the Program. No Common Shares will be acquired under the Program on any Other Published Markets other than Canadian Other Published Markets.

22. The Program will be governed by, and conducted in accordance with, the terms and conditions of a Share Repurchase Program Agreement (the "**Program Agreement**") that will be entered into among the Filers and SCI prior to the commencement of the Program and a copy of which will be delivered by the Filers to the Commission promptly thereafter.
23. The Program will begin on the Trading Day (as defined below) following the completion or termination of the TD Program, and will terminate on the earlier of April 27, 2017 and the date on which the Issuer will have purchased the Program Maximum under the Program (the "**Program Term**"). Neither the Issuer nor any of the BNS Entities may unilaterally terminate the Program Agreement during the Program Term, except in the case of an event of default by a party thereunder or a change in law or announced change in law that would have adverse consequences to the transactions contemplated thereunder or to the Issuer or either of the BNS Entities.
24. At least two clear Trading Days (as defined below) prior to the commencement of the Program, the Issuer will issue a press release that has been pre-cleared by the TSX that describes the material features of the Program and discloses the Issuer's intention to participate in the Program during the NCIB (the "**Press Release**").
25. The Program Maximum will be less than the number of Common Shares remaining that the Issuer is entitled to acquire under the NCIB, calculated as at the date of the Program Agreement.
26. The TSX: (a) will be advised of the Issuer's intention to enter into the Program; (b) will be provided with a copy of the Program Agreement; and (c) will have pre-cleared the Program.
27. During the Program Term, SCI will purchase Common Shares on the applicable Trading Day (as defined below) in accordance with instructions received by SCI from the Issuer prior to the opening of trading on such day, which instructions will be the same instructions that the Issuer would give to the Responsible Broker, as its designated broker in respect of the NCIB if the Issuer was conducting the NCIB in reliance on the Exemptions.
28. The Issuer will not give purchase instructions in respect of the Program to SCI at any time that the Issuer is aware of Undisclosed Information (as defined below).
29. All Common Shares acquired for the purposes of the Program by SCI on a day during the Program Term on which Canadian Markets are open for trading (each, a "**Trading Day**") must be acquired on Canadian Markets in accordance with the TSX Rules and any by-laws, rules, regulations or policies of any Canadian Markets upon which purchases are carried out (collectively, the "**NCIB Rules**") that would be applicable to the Issuer in connection with the NCIB, provided that:
 - (a) the aggregate number of Common Shares to be acquired on Canadian Markets by SCI on each Trading Day shall not exceed the maximum daily limit that is imposed upon the NCIB pursuant to the TSX Rules, determined with reference to an average daily trading volume that is based on the trading volume of the Common Shares on all Canadian Markets rather than being limited to the trading volume on the TSX only (the "**Modified Maximum Daily Limit**"), it being understood that the aggregate number of Common Shares to be acquired on the TSX by SCI on each Trading Day will not exceed the maximum daily limit that is imposed on the NCIB pursuant to the TSX Rules; and
 - (b) notwithstanding the block purchase exception provided for in the TSX Rules, no purchases will be made by SCI on any Canadian Markets pursuant to a pre-arranged trade.
30. The aggregate number of Common Shares acquired by SCI in connection with the Program:
 - (a) shall not exceed the Program Maximum; and
 - (b) on Canadian Other Published Markets, shall not exceed that number of Common Shares remaining eligible for purchase by the Issuer pursuant to the Other Published Markets Exemption, calculated as at the date of the Program Agreement.
31. On every Trading Day, SCI will purchase the Number of Common Shares. The "**Number of Common Shares**" will be no greater than the least of:
 - (a) the maximum number of Common Shares established in the instructions received by SCI from the Issuer prior to the opening of trading on such day;
 - (b) the Program Maximum less the aggregate number of Common Shares previously purchased by SCI under the Program;

(c) on a Trading Day where trading ceases on the TSX or some other event that would impair SCI's ability to acquire Common Shares on Canadian Markets occurs (a "**Market Disruption Event**"), the number of Common Shares acquired by SCI on such Trading Day up until the time of the Market Disruption Event; and

(d) the Modified Maximum Daily Limit.

The "**Discounted Price**" per Common Share will be equal to: (a) the volume weighted average price of the Common Shares on the Canadian Markets on the Trading Day on which purchases were made less an agreed upon discount; or (b) upon the occurrence of a Market Disruption Event, the volume weighted average price of the Common Shares on the Canadian Markets at the time of the Market Disruption Event less an agreed upon discount.

32. BNS will deliver to the Issuer that number of Inventory Shares equal to the number of Common Shares purchased by SCI on a Trading Day under the Program on the Trading Day immediately thereafter, and the Issuer will pay BNS a purchase price equal to the Discounted Price for each such Inventory Share. Each Inventory Share purchased by the Issuer under the Program will be cancelled upon delivery to the Issuer.
33. BNS will not sell any Inventory Shares to the Issuer under the Program unless SCI has purchased the equivalent number of Common Shares on Canadian Markets. The number of Common Shares that are purchased by SCI on Canadian Markets on a Trading Day will be equal to the Number of Common Shares for such Trading Day. SCI will provide the Issuer with a daily written report of SCI's purchases, which report will indicate, *inter alia*, the aggregate number of Common Shares acquired, the Canadian Market on which such Common Shares were acquired, and the Modified Maximum Daily Limit.
34. During the Program Term, the Issuer will: (a) not purchase any Common Shares (other than Inventory Shares purchased under the Program); (b) prohibit the Responsible Broker from acquiring any Common Shares on its behalf; and (c) prohibit any Plan Trustee from undertaking any Plan Trustee Purchases other than Exempted Plan Trustee Purchases.
35. All purchases of Common Shares under the Program will be made by SCI and neither of the BNS Entities will engage in any hedging activity in connection with the conduct of the Program.
36. The Issuer will report its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules. In addition, immediately following the completion of the Program, the Issuer will: (a) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (b) file a notice on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") disclosing the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares.
37. The Issuer is of the view that: (a) it will be able to purchase Common Shares from BNS at a lower price than the price at which it would be able to purchase an equivalent quantity of Common Shares under the NCIB in reliance on the Exemptions; and (b) the purchase of Common Shares pursuant to the Program is in the best interests of the Issuer and constitutes a desirable use of the Issuer's funds.
38. The entering into of the Program Agreement, the purchase of Common Shares by SCI in connection with the Program, and the sale of Inventory Shares by BNS to the Issuer will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect control of the Issuer.
39. The sale of Inventory Shares to the Issuer by BNS will not be a "distribution" (as defined in the Act).
40. The Issuer will be able to acquire the Inventory Shares from BNS without the Issuer being subject to the dealer registration requirements of the Act.
41. At the time that the Issuer and the BNS Entities enter into the Program Agreement, neither the Issuer, nor any member of the Global Equity Derivatives group of BNS, nor any personnel of either of the BNS Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) with respect to the Issuer or the Common Shares that has not been generally disclosed (the "**Undisclosed Information**").
42. Each of the BNS Entities:
- (a) has policies and procedures in place to ensure that the Program will be conducted in accordance with, among other things, the Program Agreement and this Order, and to preclude those persons responsible for

administering the Program from acquiring any Undisclosed Information during the conduct of the Program; and

- (b) will, prior to entering into the Program Agreement: (i) ensure that its systems are capable of adhering to, and performing in accordance with, the requirements of the Program and this Order; and (ii) provide all necessary training and take all necessary actions to ensure that the persons administering and executing the purchases under the Program are aware of, and understand the terms of, this Order.

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

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Issuer be exempt from the Issuer Bid Requirements in respect of the purchase of Inventory Shares from BNS pursuant to the Program, provided that:

- (a) at least two clear trading days prior to the commencement of the Program the Issuer issues the Press Release;
- (b) all purchases of Common Shares under the Program are made on Canadian Markets by SCI, and are:
 - (i) made in accordance with the NCIB Rules applicable to the NCIB, as modified by paragraph 29 of this Order;
 - (ii) taken into account by the Issuer when calculating the maximum annual aggregate limits that are imposed upon the NCIB in accordance with the TSX Rules, with those Common Shares purchased on Canadian Other Published Markets being taken into account by the Issuer when calculating the maximum aggregate limits that are imposed upon the Issuer in accordance with the Other Published Markets Exemption;
 - (iii) marked with such designation, as would be required by the applicable marketplace and UMIR for trades made by an agent of the Issuer; and
 - (iv) monitored by the BNS Entities on a continual basis for the purposes of ensuring compliance with the terms of this Order, NCIB Rules, and applicable securities law;
- (c) during the Program Term: (i) the Issuer does not purchase any Common Shares (other than Inventory Shares purchased under the Program); (ii) no Common Shares are purchased on behalf of the Issuer by the Responsible Broker; and (iii) no Plan Trustee Purchases are undertaken by any Plan Trustee (other than Exempted Plan Trustee Purchases);
- (d) the number of Inventory Shares transferred by BNS to the Issuer for purchase under the Program in respect of a particular Trading Day is equal to the number of Common Shares purchased by SCI on Canadian Markets in respect of the Trading Day;
- (e) no hedging activity is engaged in by the BNS Entities in connection with the conduct of the Program;
- (f) at the time that the Program Agreement is entered into by the Filers and SCI:
 - (i) the Common Shares are "highly liquid securities", as that term is defined in section 1.1 of OSC Rule 48-501 and section 1.1 of UMIR; and
 - (ii) none of the Issuer, any member of the Global Equity Derivatives group of BNS, or any personnel of either of the BNS Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, was aware of any Undisclosed Information;
- (g) no purchase instructions in respect of the Program are given by the Issuer to SCI at any time that the Issuer is aware of Undisclosed Information;
- (h) the BNS entities maintain records of all purchases of Common Shares that are made by SCI pursuant to the Program, which will be available to the Commission and IIROC upon request; and
- (i) in addition to reporting its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules, immediately following the completion of the Program, the Issuer will: (i) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (ii) file a notice on

SEDAR disclosing the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares.

DATED at Toronto, Ontario this 9th day of March, 2017.

“Naizam Kanji”
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.2.7 Global Diversified Investment Grade Income Trust II

the securities regulatory authority or regulator in Ontario.

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).

March 2, 2017

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

AND

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

AND

**IN THE MATTER OF
GLOBAL DIVERSIFIED INVESTMENT GRADE
INCOME TRUST II
(the Filer)**

ORDER

Background

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

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

- (a) the Autorité des marchés financiers is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4C.5(1) of *Regulation 11-102 respecting Passport System* (chapter V- 1.1, r. 1) (Regulation 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, New Scotia, Prince Edward Island and Newfoundland and Labrador, and
- (c) this order is the order of the principal regulator and evidences the decision of

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* (chapter, V- 1.1, r. 3), *Regulation 11- 102* and, in Québec, in *Regulation 14-501Q on definitions* (chapter V- 1.1, r. 4) 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 *Regulation 51-105 respecting Issuers Quoted in the U.S. Over-the-Counter Markets* (chapter V- 1.1 r. 24.1);
- 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 *Regulation 21-101 respecting Marketplace Operation* (chapter V- 1.1, r. 5) 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.

“Jacinthe Des Marchais”
Director, Investment Funds
Autorité des marchés financiers

2.4 Rulings

2.4.1 ABN AMRO Clearing Chicago LLC – ss. 38 and 73 of the CFA and s. 6.1 of OSC Rule 91-502 Trades in Recognized Options

Headnote

Application to the Commission pursuant to subsection 78(1) of the Commodity Futures Act (Ontario) (CFA) for an order revoking the exemption granted by the Commission to the Applicant dated March 9, 2012, In the Matter of ABN Amro Clearing Chicago LLC.

Application to the Director for a revocation of a decision, pursuant to section 6.1 of Rule 91-502 Trades in Recognized Options(Rule 91-502), dated March 12, 2012, In the Matter of ABN Amro Clearing Chicago LLC.

Application to the Commission pursuant to section 38 of the (CFA) for a ruling that the Applicant be exempted from the dealer registration requirement in paragraph 22(1)(a) and the prohibition against trading on non-recognized exchanges in section 33 of the CFA. The Applicant will offer the ability to trade in commodity futures contracts and commodity futures options that trade on exchanges located outside of Canada and cleared through clearing corporations located outside of Canada to certain of its clients in Ontario who meet the definition of "permitted client" in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Application to the Director for an exemption, pursuant to section 6.1 of Rule 91-502 exempting the Applicant's Representatives from the proficiency requirements in section 3.1 of Rule 91-502 for trades in commodity futures options on exchanges located outside of Canada.

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22, 23, 38.
Securities Act, R.S.O. 1990, c. S.5, as am.

Rule Cited

Ontario Securities Commission Rule 91-502 Trades in Recognized Options, ss. 3.1, 6.1.

Instrument Cited

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.18.

March 7, 2017

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

AND

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

AND

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 91-502
TRADES IN RECOGNIZED OPTIONS
(Rule 91-502)

AND

IN THE MATTER OF
ABN AMRO CLEARING CHICAGO LLC
ORDER, RULING & EXEMPTION
(Sections 78, 38 of the CFA and Section 6.1 of Rule 91-502)

UPON the application (the **Application**) of ABN AMRO Clearing Chicago LLC (the **Applicant** or **AACC**) to the Ontario Securities Commission (the **Commission**) for:

- (a) an order, pursuant to subsection 78(1) of the CFA, revoking the exemption granted by the Commission to the Applicant dated March 9, 2012, *In the Matter of ABN Amro Clearing Chicago LLC (Previous Commission Ruling)* exempting the Applicant and Permitted Client (as defined below) from the dealer registration requirement or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures (as defined below) on exchanges located outside of Canada (**Non-Canadian Exchanges**);
- (b) a revocation of a decision, pursuant to section 6.1 of Rule 91-502, dated March 12, 2012 granted by the Director exempting the Representatives (as defined below) from the proficiency requirements, *In the Matter of ABN Amro Clearing Chicago LLC (Previous Director Decision)*;
- (c) a ruling of the Commission, pursuant to section 38 of the CFA, that the Applicant is not subject to the dealer registration requirement in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges where the Applicant is acting as principal or agent in such trades to, from or on behalf of Permitted Clients;
- (d) a ruling of the Commission, pursuant to section 38 of the CFA, that a Permitted Client is not subject to the dealer registration requirement in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges, where the Applicant acts in respect of trades in Exchange-Traded Futures on behalf of the Permitted Client pursuant to the ruling referred to in paragraph (c) above; and
- (e) a decision of the Director, pursuant to section 6.1 of Rule 91-502, exempting the Representatives from section 3.1 of Rule 91-502 in connection with trades in Exchange Traded Futures made by a Representative on behalf of the Applicant;

AND WHEREAS for the purposes of this order, revocation, ruling and exemption (the **Decision**):

“**CEA**” means the Commodity Exchange Act of the USA;

“**CFTC**” means the Commodity Futures Trading Commission of the USA;

“**dealer registration requirements in the CFA**” means the provisions of section 22 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 22 of the CFA;

“**Exchange-Traded Futures**” means a commodity futures contract or a commodity futures option that trades on one or more organized exchanges located outside of Canada and that is cleared through one or more clearing corporations located outside of Canada;

“**FINRA**” means the Financial Industry Regulatory Authority of the USA;

“**NI 31-103**” means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registration Obligations*;

“**NFA**” means the National Futures Association of the USA;

“**dealer registration exemption in the OSA**” means the provision of section 25 of the OSA that prohibits a person or company from trading in securities unless the person or company satisfies the applicable provisions of section 25, or is exempted from section 25 of the OSA as contained in section 8.18 [International Dealer] of NI 31-103;

“**Permitted Client**” means a client of the Applicant in Ontario that is a “permitted client” as that term is defined in section 1.1 of NI 31-103;

“**Representative**” means a salesperson, director, officer or employee of the Applicant;

“**SEC**” means the Securities and Exchange Commission of the USA;

“trading restrictions in the CFA” means the provisions of section 33 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 33 of the CFA; and

“USA” means the United States of America.

- (ii) terms used in this Decision that are defined in the OSA, and not otherwise defined in this Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires;

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

AND UPON the Applicant having represented to the Commission and the Director as follows:

1. The Applicant is a limited liability company organized under the laws of the state of Illinois. Its head office is located in Chicago, Illinois, USA.
2. The Applicant is part of the global clearing business of ABN AMRO Bank N.V. The Applicant is a subsidiary of ABN AMRO Clearing Bank N.V., a 100% subsidiary of ABN AMRO Bank N.V. ABN AMRO Clearing Bank N.V. is a leading global securities services provider clearing over 16 million trades per day and covering 85 exchanges worldwide.
3. The Applicant relies on the dealer registration exemption in the OSA and is not registered under the OSA.
4. The Applicant currently relies on the Previous Commission Ruling and Previous Director Decision (collectively, the “**Previous Order**”) that is set to expire on March 12, 2017. The attached Annex includes as a Schedule a copy of the Previous Order which was effective on March 12, 2012.
5. The Applicant is a broker-dealer registered with the SEC, a member of FINRA, a registered futures commission merchant with the CFTC and a member of the NFA.
6. The Applicant is a foreign approved participant of the Montréal Exchange, and is also a member of the following: BATS Exchange, Inc.; BATS Options Exchange; BATS Z-Exchange, Inc.; BM&F Bovespa; Boston Options Exchange; CBOE C2 Options Exchange, Incorporated; CBOE Futures Exchange; Chicago Board Options Exchange; Chicago Stock Exchange; CME Group; EDGA Exchange, Inc.; EDGX Exchange, Inc.; Electronic Liquidity Exchange; ERIS Exchange; ICE Futures Canada; ICE Futures; ISE Gemini; IEX Exchange; International Securities Exchange; Miami International Securities Exchange; Minneapolis Grain Exchange; NASDAQ OMX BX, Inc.; NASDAQ OMX Futures; NASDAQ Options Market; NASDAQ OMX PHLX, Inc.; NASDAQ OMX PSX; NASDAQ Stock Market; New York Portfolio Clearing; New York Stock Exchange; NYSE Amex Options; NYSE Arca, Inc.; NYSE Euronext; NYSE LIFFE US; OneChicago; and Toronto Stock Exchange.
7. The Applicant is (a) not in default under the CFA or of securities legislation in any jurisdiction in Canada, subject to the matter to which this Decision relates, and (b) in compliance in all material respects with U.S. securities and commodity futures laws.
8. Pursuant to its registrations and memberships, the Applicant is authorized to handle customer orders and receive and hold customer margin deposits, and otherwise act as a futures broker, in the USA. Rules of the CFTC and NFA require the Applicant to maintain adequate capital levels, make and keep specified types of records relating to customer accounts and transactions, and comply with other forms of customer protection rules, including rules respecting know-your-customer obligations, account-opening requirements, suitability requirements, anti-money laundering checks, credit checks, delivery of confirmation statements, clearing deposits and initial and maintenance margins. These rules require the Applicant to treat Permitted Clients materially the same as the Applicant’s customers in the USA. In order to protect customers in the event of the insolvency or financial instability of the Applicant, the Applicant is required to ensure that customer securities and monies be separately accounted for, segregated at all times from the securities and monies of the Applicant (and its affiliates), and custodied exclusively with such banks, trust companies, clearing organizations or other licensed futures brokers and intermediaries as may be approved for such purposes under the CEA and the rules promulgated by the CFTC thereunder (collectively, the **Applicant Approved Depositories**). The Applicant is further required to obtain acknowledgements from any Applicant Approved Depository holding customer funds or securities that such funds and securities are to be separately held on behalf of such customers, with no right of set-off against the Applicant’s obligations or debts.
9. The Applicant proposes to offer Permitted Clients the ability to trade in Exchange-Traded Futures through the Applicant.

Decisions, Orders and Rulings

10. The Applicant will solicit trades in Exchange-Traded Futures in Ontario only from persons who would qualify as Permitted Clients.
11. The Applicant will not maintain an office, sales force or physical place of business in Ontario.
12. Permitted Clients will only be offered the ability to effect trades in Exchange-Traded Futures on Non-Canadian Exchanges.
13. The Applicant will execute and clear trades in Exchange-Traded Futures on behalf of Permitted Clients in the same manner that it executes and clears trades on behalf of its customers in the USA. The Applicant will follow the same know-your-customer, client classification and segregation of assets procedures that it follows in respect of its customers in the USA, all of whom are "Eligible Contract Participants" as defined in the CEA. Permitted Clients will be afforded the benefits of compliance by the Applicant with the statutory and other requirements of applicable securities regulators, self-regulatory organizations and exchanges located in the USA. Permitted Clients will generally have the same contractual rights against the Applicant as the Applicant's customers in the USA.
14. The Exchange-Traded Futures to be traded by the Applicant on behalf of its Permitted Clients will include, but will not be limited to, Exchange-Traded Futures for equity index, interest rate, foreign exchange, bond, energy, agricultural and other commodity products.
15. Permitted Clients will be able to execute Exchange-Traded Futures orders through the Applicant by contacting the Applicant's applicable execution desks. Permitted Clients may self-execute Exchange-Traded Futures orders electronically via an independent service vendor and/or other electronic trading routing. Permitted Clients may also execute Exchange-Traded Futures orders through third party brokers and then "give up" the transaction for clearance through the Applicant.
16. The Applicant may execute a Permitted Client's order on the relevant Non-Canadian Exchange in accordance with the rules and customary practices of the exchange, or engage another broker to assist in the execution of orders. The Applicant will remain responsible for the execution of each such trade.
17. The Applicant may perform both execution and clearing functions for trades in Exchange-Traded Futures or may direct that a trade executed by it be cleared through a carrying broker if the Applicant is not a member of the Non-Canadian Exchange on which the trade is executed. Alternatively, the Permitted Client of the Applicant will be able to direct that trades executed by the Applicant be cleared through clearing brokers not affiliated with the Applicant (each, a **Non-AACC Clearing Broker**).
18. If the Applicant performs only the execution of a Permitted Client's Exchange-Traded Futures order and "gives-up" the transaction for clearance to a Non-AACC Clearing Broker, such clearing broker will also be required to comply with the rules of the exchanges of which it is a member and any relevant regulatory requirements, including requirements under any applicable legislation. Each such Non-AACC Clearing Broker will represent to the Applicant in an industry-standard give-up agreement that it will perform its obligations in accordance with applicable laws, governmental, regulatory, self-regulatory, exchange and clearing house rules and the customs and usages of the exchange or clearing house on which the relevant Permitted Client's Exchange-Traded Futures order will be executed and cleared. The Applicant will not enter into a give-up agreement with any Non-Applicant Clearing Broker located in the USA unless such clearing broker is registered with the CFTC and/or the SEC, as applicable.
19. As is customary for all trades in Exchange-Traded Futures, a clearing corporation appointed by the exchange or clearing division of the exchange is substituted as a universal counterparty on all trades in Exchange-Traded Futures and Permitted Client orders that are submitted to the exchange in the name of a Non-AACC Clearing Broker, or the Applicant, or on exchanges where the Applicant is not a member, in the name of another carrying broker. The Permitted Client is responsible to the Applicant for payment of daily mark-to-market variation margin and/or proper margin to carry open positions and the Applicant, the carrying broker, or the Non-AACC Clearing Broker is in turn responsible to the clearing corporation/division for payment.
20. Permitted Clients that direct the Applicant to give up transactions in Exchange-Traded Futures for clearance and settlement by Non-AACC Clearing Brokers will execute the give-up agreements described above.
21. Permitted Clients will pay to the Applicant commissions for trades made on their behalf by the Applicant. In the event that the Applicant needs to utilize a Non-AACC Clearing Broker for clearing or execution services in relation to such trades, the Applicant will pay the Non-AACC Clearing Broker for such services.

22. The trading restrictions in the CFA apply unless, among other things, an Exchange-Traded Future is traded on a recognized or registered commodity futures exchange and the form of the contract is approved by the Director. To date, no Non-Canadian Exchange has been recognized or registered under the CFA.
23. Section 3.1 of the Rule 91-502 provides that no person shall trade as agent in, or give advice in respect of, a recognized option as defined in section 1.1 of Rule 91-502 unless he or she has successfully completed the Canadian Options Course (which has been replaced by the Derivatives Fundamentals Course and the Options Licensing Course).
24. A Representative will not execute Exchange Traded Futures Trades for Permitted Clients unless the Representative has passed the National Commodity Futures Examination (Series 3) being the relevant futures and options proficiency examination administered by FINRA.
25. The expiry of the five year period set out in the Previous Order has triggered this requested order.

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

IT IS ORDERED, pursuant to subsection 78(1) of the CFA, that the Previous Commission Ruling is revoked;

IT IS RULED, pursuant to section 38 of the CFA, that the Applicant is not subject to the dealer registration requirement in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures where the Applicant is acting as principal or agent in such trades to, from or on behalf of Permitted Clients, provided that:

- (a) each client effecting trades in the Exchange-Traded Futures is a Permitted Client;
- (b) each Non-AACC Clearing Broker that executes or clears the trade has represented and covenanted to the Applicant that it is appropriately registered or exempt from registration under the CFA;
- (c) the Applicant only executes and clears Exchange-Traded Futures for Permitted Clients on Non-Canadian Exchanges;
- (d) at the time the trade is engaged in, the Applicant:
 - (i) has its head office or principal place of business in the USA;
 - (ii) is registered as a futures commission merchant with the CFTC in good standing;
 - (iii) is a member in good standing with the NFA;
 - (iv) engages in the business of a futures commission merchant in Exchange-Traded Futures in the United States;
- (e) the Applicant has provided to the Permitted Client the following disclosure in writing:
 - (i) a statement that the Applicant is not registered in Ontario to trade in Exchange-Traded Futures as principal or agent;
 - (ii) a statement that the Applicant's head office or principal place of business is located in Chicago, Illinois, USA;
 - (iii) a statement that all or substantially all of the Applicant's assets may be situated outside of Canada;
 - (iv) a statement that there may be difficulty enforcing legal rights against the Applicant because of the above; and
 - (v) the name and address of the Applicant's agent for service of process in Ontario;
- (f) the Applicant has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix "A";
- (g) the Applicant notifies the Commission of any regulatory action initiated after the date of this Decision in respect of the Applicant, or any predecessors or specified affiliates of the Applicant, by completing and filing

with the Commission Appendix “B” hereto within ten days of the commencement of any such action; provided that the Applicant may satisfy this condition by filing with the Commission within ten days of the date of this decision a notice making reference to and incorporating by reference the disclosure made by the Filer pursuant to U.S federal securities laws that is identified in the FINRA BrokerCheck system, and any updates to such disclosure that may be made from time to time and by providing notification, in a manner reasonably acceptable to the Director, of any filing of a Form BD “Regulatory Action Disclosure Reporting Page” required by FINRA;

- (h) if the Applicant does not rely on the dealer registration exemption in the OSA, by December 31st of each year, the Applicant pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of the Commission Rule 13-502 *Fees* as if the Applicant had relied on the dealer registration exemption in the OSA; and
- (i) by December 1st of each year, the Applicant notifies the Commission of its continued reliance on the exemption from the dealer registration requirement granted pursuant to this Decision by filing Form 13-502F4 *Capital Markets Participation Fee Calculation*; and
- (j) this Decision will terminate on the earliest of:
 - (i) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;
 - (ii) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the dealer registration requirements in the CFA or the trading restrictions in the CFA; and
 - (iii) five years after the date of this Decision.

AND IT IS FURTHER RULED, pursuant to section 38 of the CFA, that a Permitted Client is not subject to the dealer registration requirement in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges where the Applicant acts in connection with trades in Exchange-Traded Futures on behalf of the Permitted Clients pursuant to the above ruling.

“Tim Moseley”
Commissioner
Ontario Securities Commission

“Robert Hutchison”
Commissioner
Ontario Securities Commission

IT IS THE DECISION of the Director that the Previous Director Decision is revoked;

IT IS THE DECISION of the Director, pursuant to section 6.1 of Rule 91-502, that section 3.1 of Rule 91-502 does not apply to the Representatives in respect of trades in Exchange-Traded Futures on behalf of the Applicants, provided that:

- (a) the Applicant and its Representatives maintain their respective registrations with the CFTC and NFA which permit them to trade commodity futures options in the USA; and
- (b) this Decision will terminate on the earliest of:
 - (i) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;
 - (ii) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the dealer registration requirements in the CFA or the trading restrictions in the CFA; and
 - (iii) five years after the date of this Decision.

“Debra Foubert”
Director
Compliance and Registrant Regulation Branch

APPENDIX "A"

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

INTERNATIONAL DEALER OR INTERNATIONAL ADVISER
EXEMPTED FROM REGISTRATION UNDER THE COMMODITY FUTURES ACT, ONTARIO

1. Name of person or company ("International Firm"):
2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:
3. Jurisdiction of incorporation of the International Firm:
4. Head office address of the International Firm:
5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

Name:
E-mail address:
Phone:
Fax:
6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "Relief Order"):

 Section 8.18 [*international dealer*]

 Section 8.26 [*international adviser*]

 Other [specify]:
7. Name of agent for service of process (the "Agent for Service"):
8. Address for service of process on the Agent for Service:
9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.
10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.
11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator
 - a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;
 - b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service;
 - c. a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.
12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Decisions, Orders and Rulings

Dated: _____

(Signature of the International Firm or authorized signatory)

(Name of signatory)

(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of _____ [Insert name of International Firm] under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

(Signature of the Agent for Service or authorized signatory)

(Name of signatory)

(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

<https://www.osc.gov.on.ca/filings>

APPENDIX "B"

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates² of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

If yes, provide the following information for each settlement agreement:

| |
|---------------------------------|
| Name of entity |
| Regulator/organization |
| Date of settlement (yyyy/mm/dd) |
| Details of settlement |
| Jurisdiction |

2. Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

| | Yes | No |
|---|-----|-----|
| a) Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization? | ___ | ___ |
| (b) Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission? | ___ | ___ |
| (c) Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm? | ___ | ___ |
| (d) Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm? | ___ | ___ |
| (e) Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm? | ___ | ___ |
| (f) Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm? | ___ | ___ |
| (g) Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)? | ___ | ___ |

If yes, provide the following information for each action:

| | |
|-----------------------------|-------------------|
| Name of entity | |
| Type of action | |
| Regulator/organization | |
| Date of action (yyyy/mm/dd) | Reason for action |
| Jurisdiction | |

² In this Appendix, the term "specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

Decisions, Orders and Rulings

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

Yes _____ No _____

If yes, provide the following information for each investigation:

| |
|---|
| Name of entity |
| Reason or purpose of investigation |
| Regulator/organization |
| Date investigation commenced (yyyy/mm/dd) |
| Jurisdiction |

| |
|---|
| Name of firm: |
| Name of firm's authorized signing officer or partner |
| Title of firm's authorized signing officer or partner |
| Signature |
| Date (yyyy/mm/dd) |

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

| |
|-------------------|
| Name of witness |
| Title of witness |
| Signature |
| Date (yyyy/mm/dd) |

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

<https://www.osc.gov.on.ca/filings>

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 |
|--------------|-------------------------|-----------------|-------------------------|----------------------|
| | | | | |

Failure to File Cease Trade Orders

| Company Name | Date of Order | Date of Revocation |
|---------------------------|---------------|--------------------|
| Blue River Resources Ltd. | 07 March 2017 | 09 March 2017 |
| Easy Technologies Inc. | 07 March 2017 | |
| Enfield Technologies Inc. | 07 March 2017 | |
| Exo U Inc. | 08 March 2017 | |

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 |
|--------------------------|----------------------------------|------------------|-------------------------|-----------------------|--------------------------------|
| Quest Rare Minerals Ltd. | 02 February 2017 | 15 February 2017 | 15 February 2017 | 14 March 2017 | |

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 |
|-------------------------------|----------------------------------|------------------|-------------------------|-----------------------|--------------------------------|
| Performance Sports Group Ltd. | 19 October 2016 | 31 October 2016 | 31 October 2016 | | |
| Quest Rare Minerals Ltd. | 02 February 2017 | 15 February 2017 | 15 February 2017 | 14 March 2017 | |

This page intentionally left blank

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

AlphaNorth Growth Fund
AlphaNorth Resource Fund (formerly AlphaNorth Rollover Fund)

Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated March 6, 2017

Received on March 7, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

AlphaNorth Asset Management
Project #2483673

Issuer Name:

Black Creek Global Balanced Fund
Black Creek Global Leaders Fund
Black Creek International Equity Fund
Cambridge American Equity Fund
Cambridge Canadian Dividend Fund
Cambridge Global Dividend Fund
Cambridge Global High Income Fund
Cambridge Income Fund
Cambridge Pure Canadian Equity Fund
Cambridge Stock Selection Fund
Cambridge U.S. Dividend Fund
Cambridge U.S. Dividend Registered Fund
Cambridge U.S. Dividend US\$ Fund
CI American Small Companies Fund
CI American Value Fund
CI Canadian Dividend Fund
CI Canadian Investment Fund
CI Canadian Small/Mid Cap Fund
CI Global High Dividend Advantage Fund
CI Global Small Companies Fund
CI Global Value Fund
CI Income Fund
CI International Value Fund
CI Investment Grade Bond Fund
CI Money Market Fund
CI Pacific Fund
CI U.S. Income US\$ Pool
CI US Money Market Fund
Harbour Fund
Harbour Growth & Income Fund
Lawrence Park Strategic Income Fund
Marret High Yield Bond Fund
Marret Short Duration High Yield Fund
Marret Strategic Yield Fund
Portfolio Series Balanced Fund
Portfolio Series Balanced Growth Fund
Portfolio Series Conservative Balanced Fund
Portfolio Series Conservative Fund
Portfolio Series Growth Fund
Portfolio Series Income Fund
Portfolio Series Maximum Growth Fund
Synergy American Fund
Synergy Tactical Asset Allocation Fund
Cambridge Canadian Growth Companies Fund Principal
Regulator - Ontario

Type and Date:

Amendment#3 to the Final Simplified Prospectus dated March 10,

Received on March 13, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

n/a

Promoter(s):

CI Investments Inc.
Project #2494270

Issuer Name:

BonaVista Canadian Equity Value Fund
BonaVista Global Balanced Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated March 13, 2017
Received on March 13, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Phillips, Hager & North Investment Funds Ltd.

Promoter(s):

RBC Global Asset Management Inc.
Project #2485597

Issuer Name:

Diversified Fixed Income Folio Fund
Principal Regulator - Ontario

Type and Date:

Amendment #3 to Final Simplified Prospectus dated February 27, 2017
NP 11-202 Receipt dated March 10, 2017

Offering Price and Description:

Quadrus Series, H Series, L Series, N Series and QF Series

Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.
Quadrus Investment Services Inc.
none
N/A

Promoter(s):

Mackenzie Financial Corporation
Project #2481507

Issuer Name:

FT Balanced Growth Pool
FT Balanced Income Pool
FT Growth Pool
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated March 10, 2017
NP11-202 Preliminary Receipt dated March 10, 2017

Offering Price and Description:

Series O Units

Underwriter(s) or Distributor(s):

Franklin Templeton Investments Corp.
FTC Investor Services Inc.

Promoter(s):

Franklin Templeton Investments Corp.
Project #2594453

Issuer Name:

Greystone Canadian Equity Income & Growth Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated February 23, 2017
NP 11-202 Receipt dated March 8, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Brandes Investment Partners & Co.
Project #2517821

Issuer Name:

LifePoints Balanced Class
LifePoints Balanced Growth Class
LifePoints Balanced Growth
LifePoints Balanced Income Class
LifePoints Balanced Income
LifePoints Balanced
LifePoints Long-Term Growth Class
LifePoints Long-Term Growth
Russell Investments Income Essentials
Russell Investments Diversified Monthly Income
Russell Investments Income Essentials Class
Russell Investments Diversified Monthly Income Class
Principal Regulator - Ontario

Type and Date:

Amendment #3 to Final Simplified Prospectus dated February 23, 2017
NP 11-202 Receipt dated March 13, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Russell Investments Canada Limited
N/A

Promoter(s):

Russell Investments Canada Limited
Project #2492228

Issuer Name:

Mackenzie Canadian All Cap Balanced Class
Mackenzie Canadian All Cap Balanced Fund
Mackenzie Canadian All Cap Dividend Class
Mackenzie Canadian All Cap Dividend Fund
Mackenzie Canadian All Cap Value Class
Mackenzie Canadian All Cap Value Fund
Mackenzie Canadian Bond Fund
Mackenzie Canadian Growth Balanced Fund
Mackenzie Canadian Growth Class
Mackenzie Canadian Growth Fund
Mackenzie Canadian Large Cap Balanced Fund
Mackenzie Canadian Large Cap Dividend & Growth Fund
Mackenzie Canadian Large Cap Dividend Class
Mackenzie Canadian Large Cap Dividend Fund
Mackenzie Canadian Large Cap Growth Fund
Mackenzie Canadian Money Market Class
Mackenzie Canadian Money Market Fund
Mackenzie Canadian Resource Fund
Mackenzie Canadian Short Term Income Fund
Mackenzie Canadian Small Cap Value Class
Mackenzie Canadian Small Cap Value Fund
Mackenzie Corporate Bond Fund
Mackenzie Cundill Canadian Balanced Fund
Mackenzie Cundill Canadian Security Class
Mackenzie Cundill Canadian Security Fund
Mackenzie Cundill Recovery Class
Mackenzie Cundill Recovery Fund
Mackenzie Cundill US Class
Mackenzie Cundill Value Class
Mackenzie Cundill Value Fund
Mackenzie Diversified Alternatives Fund
Mackenzie Emerging Markets Class
Mackenzie Emerging Markets Opportunities Class
Mackenzie Floating Rate Income Fund
Mackenzie Global Concentrated Equity Fund
Mackenzie Global Dividend Fund
Mackenzie Global Growth Class
Mackenzie Global Low Volatility Fund
Mackenzie Global Resource Class
Mackenzie Global Small Cap Growth Class
Mackenzie Global Small Cap Growth Fund
Mackenzie Global Strategic Income Fund
Mackenzie Global Tactical Bond Fund
Mackenzie Global Tactical Investment Grade Bond Fund
Mackenzie Gold Bullion Class
Mackenzie Growth Fund
Mackenzie High Diversification Canadian Equity Class
Mackenzie High Diversification Emerging Markets Equity Fund
Mackenzie High Diversification European Equity Fund
Mackenzie High Diversification Global Equity Fund
Mackenzie High Diversification International Equity Fund
Mackenzie High Diversification US Equity Fund
Mackenzie Income Fund
Mackenzie International Growth Class
Mackenzie International Growth Fund
Mackenzie Investment Grade Floating Rate Fund
Mackenzie Ivy Canadian Balanced Class
Mackenzie Ivy Canadian Balanced Fund
Mackenzie Ivy Canadian Fund
Mackenzie Ivy European Class
Mackenzie Ivy Foreign Equity Class

Mackenzie Ivy Foreign Equity Currency Neutral Class
Mackenzie Ivy Foreign Equity Fund
Mackenzie Ivy Global Balanced Class
Mackenzie Ivy Global Balanced Fund
Mackenzie Ivy International Equity Fund
Mackenzie Monthly Income Balanced Portfolio
Mackenzie Monthly Income Conservative Portfolio
Mackenzie North American Corporate Bond Fund
Mackenzie Precious Metals Class
Mackenzie Private Canadian Focused Equity Pool
Mackenzie Private Canadian Focused Equity Pool Class
Mackenzie Private Canadian Money Market Pool
Mackenzie Private Global Conservative Income Balanced Pool
Mackenzie Private Global Equity Pool
Mackenzie Private Global Equity Pool Class
Mackenzie Private Global Fixed Income Pool
Mackenzie Private Global Income Balanced Pool
Mackenzie Private Income Balanced Pool
Mackenzie Private Income Balanced Pool Class
Mackenzie Private US Equity Pool
Mackenzie Private US Equity Pool Class
Mackenzie Strategic Bond Fund
Mackenzie Strategic Income Fund
Mackenzie Unconstrained Fixed Income Fund
Mackenzie US All Cap Growth Fund
Mackenzie US Dividend Fund
Mackenzie US Dividend Registered Fund
Mackenzie US Growth Class
Mackenzie US Large Cap Class
Mackenzie US Low Volatility Fund
Mackenzie US Mid Cap Growth Class
Mackenzie US Mid Cap Growth Currency Neutral Class
Mackenzie USD Global Strategic Income Fund
Mackenzie USD Global Tactical Bond Fund
Mackenzie USD Ultra Short Duration Income Fund
Symmetry Balanced Portfolio
Symmetry Balanced Portfolio Class
Symmetry Conservative Income Portfolio
Symmetry Conservative Income Portfolio Class
Symmetry Conservative Portfolio
Symmetry Conservative Portfolio Class
Symmetry Equity Portfolio Class
Symmetry Fixed Income Portfolio
Symmetry Growth Portfolio
Symmetry Growth Portfolio Class
Symmetry Moderate Growth Portfolio
Symmetry Moderate Growth Portfolio Class
Mackenzie Canadian Growth Balanced Class
Principal Regulator - Ontario

Type and Date:

Amended and Restated Final Simplified Prospectus dated March 10, 2017

Received on March 10, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.
LBC Financial Services Inc.

Promoter(s):

Mackenzie Financial Corporation

Project #2516157

Issuer Name:

Mackenzie Strategic Bond Fund
Symmetry Fixed Income Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated March 10, 2017

Received on March 10, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

LBC Financial Services Inc.

Promoter(s):

-

Project #2539681

Issuer Name:

Marquest 2017-I Mining Super Flow-Through Limited
Partnership - National Class
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 9, 2017

NP11-202 Preliminary Receipt dated March 10, 2017

Offering Price and Description:

Maximum Offering: \$20,000,000 - 2,000,000 Marquest
2017-I National Class Units

Minimum Offering: \$2,500,000 - 250,000 Marquest 2017-I
National Class Units)

(subject to a minimum of 250,000 Québec Class Units
being sold)

Price: \$10.00 per Marquest 2017-I National Class Unit

Minimum Subscription: \$2,500 (250 National 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.

Industrial Alliance Securities Inc.

Canaccord Genuity Corp.

GMP Securities L.P.

Raymond James Ltd.

Manulife Securities Incorporated

Echelon Wealth Partners Inc.

Laurentian Bank Securities Inc.

Promoter(s):

Marquest Asset Management Inc.

Project #2594042

Issuer Name:

Marquest 2017-I Mining Super Flow-Through Limited
Partnership - Québec Class
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 9, 2017

NP11-202 Preliminary Receipt dated March 10, 2017

Offering Price and Description:

Maximum Offering: \$20,000,000 - 2,000,000 Marquest
2017-I Quebec Class Units

Minimum Offering: \$2,500,000 - 250,000 Marquest 2017-I
Quebec Class Units)

(subject to a minimum of 250,000 National Class Units
being sold)

Price: \$10.00 per Marquest 2017-I Quebec Class Unit

Minimum Subscription: \$2,500 (250 Quebec 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.

Industrial Alliance Securities Inc.

Canaccord Genuity Corp.

GMP Securities L.P.

Raymond James Ltd.

Manulife Securities Incorporated

Echelon Wealth Partners Inc.

Laurentian Bank Securities Inc.

Promoter(s):

Marquest Asset Management Inc.

Project #2594041

Issuer Name:

Multi-Asset Equity Completion
Russell Investments Multi-Factor International Equity Pool
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated March 3, 2017

NP11-202 Preliminary Receipt dated March 6, 2017

Offering Price and Description:

Series B, F and O Units

Underwriter(s) or Distributor(s):

Russell Investments Canada Limited

Promoter(s):

Russell Investments Canada Limited

Project #2592698

Issuer Name:

PowerShares FTSE RAFI Global Small-Mid Fundamental ETF
PowerShares Global Shareholder Yield ETF
PowerShares Low Volatility Portfolio ETF
PowerShares Tactical Bond ETF
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated March 10, 2017
NP 11-202 Receipt dated March 10, 2017

Offering Price and Description:

CAD Units and USD Units @ Net Assets Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

INVESCO CANADA LTD.

Project #2575425

Issuer Name:

RBC Canadian Preferred Share ETF
RBC Quant Canadian Dividend Leaders ETF
RBC Quant Canadian Equity Leaders ETF
RBC Quant EAFE Dividend Leaders (CAD Hedged) ETF
RBC Quant EAFE Dividend Leaders ETF
RBC Quant EAFE Equity Leaders (CAD Hedged) ETF
RBC Quant EAFE Equity Leaders ETF
RBC Quant Emerging Markets Dividend Leaders ETF
RBC Quant Emerging Markets Equity Leaders ETF
RBC Quant European Dividend Leaders (CAD Hedged) ETF
RBC Quant European Dividend Leaders ETF
RBC Quant Global Infrastructure Leaders ETF
RBC Quant Global Real Estate Leaders ETF
RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF
RBC Quant U.S. Dividend Leaders ETF
RBC Quant U.S. Equity Leaders (CAD Hedged) ETF
RBC Quant U.S. Equity Leaders ETF
RBC Strategic Global Dividend Leaders ETF
RBC Strategic Global Equity Leaders ETF
Principal Regulator - Ontario

Type and Date:

Combined Preliminary and Pro Forma Long Form Prospectus dated March 10, 2017
NP11-202 Preliminary Receipt dated March 13, 2017

Offering Price and Description:

CAD Units and USD Units

Underwriter(s) or Distributor(s):

RBC Global Asset Management Inc.

N/A

Promoter(s):

RBC Global Asset Management Inc.

Project #2594570

Issuer Name:

RP Strategic Income Plus Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated March 8, 2017
NP 11-202 Receipt dated March 9, 2017

Offering Price and Description:

Class A, Class F and Class O Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

RP Investment Advisors LP

Project #2577269

Issuer Name:

Sprott Global Real Estate Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated February 7, 2017
NP 11-202 Receipt dated March 7, 2017

Offering Price and Description:

Series T and Series FT securities @ Net Asset Value

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Sprott Asset Management LP

Project #2490444

NON-INVESTMENT FUNDS

Issuer Name:

Algonquin Power & Utilities Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated March 10, 2017
NP 11-202 Preliminary Receipt dated March 10, 2017

Offering Price and Description:

\$2,000,000,000.00 - Subscription Receipts, Preferred
Shares, Common Shares, Warrants, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2594534

Issuer Name:

Hampton Financial Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 9, 2017
NP 11-202 Preliminary Receipt dated March 10, 2017

Offering Price and Description:

Maximum \$20,000,000.00 - Up to 2,000,000 Units
Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

M Partners Inc.

Promoter(s):

Peter M. Deeb

Project #2594076

Issuer Name:

Black Diamond Group Limited
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated March 10, 2017
NP 11-202 Preliminary Receipt dated March 10, 2017

Offering Price and Description:

\$28,999,998.75 - 7,733,333 Common Shares
Price: \$3.75 per Common Share

Underwriter(s) or Distributor(s):

Raymond James Ltd.

Peters & Co. Limited

BMO Nesbitt Burns Inc.

Cormark Securities Inc.

Acumen Capital Finance Partners Limited

National Bank Financial Inc.

Promoter(s):

-

Project #2592850

Issuer Name:

LottoGopher Holdings Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated March 10, 2017
NP 11-202 Preliminary Receipt dated March 10, 2017

Offering Price and Description:

11,463,000 Common Shares and 5,731,500 Common
Share Purchase Warrants issuable on deemed exercise of
outstanding Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2594582

Issuer Name:

Sun Life Financial Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated March 10, 2017
NP 11-202 Preliminary Receipt dated March 10, 2017

Offering Price and Description:

\$5,000,000,000.00

Debt Securities

Class A Shares

Class B Shares

Common Shares

Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2594440

Issuer Name:

BUFFALO CAPITAL INC.
Principal Regulator - Manitoba

Type and Date:

Preliminary CPC Prospectus dated March 10, 2017
NP 11-202 Preliminary Receipt dated March 10, 2017

Offering Price and Description:

Maximum Offering: \$300,000.00 - 1,200,000 Common
Shares

Minimum Offering: \$200,000.00 - \$800,000 Common
Shares

Price: \$0.25 per Common Share

Underwriter(s) or Distributor(s):

PI Financial Corp.

Promoter(s):

Albert D. Friesen

Project #2594483

Issuer Name:

Trenchant Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated March 7, 2017
NP 11-202 Preliminary Receipt dated March 7, 2017

Offering Price and Description:

Maximum Offering: \$20,000,000.00
Minimum Offering: \$5,000,000.00
9% Secured Convertible Debentures
Price: \$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

Industrial Alliance Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Echelon Wealth Partners Inc.
Mackie Research Capital Corporation
PI Financial Corp.
Hampton Securities Limited
Integral Wealth Securities Limited
Leede Jones Gable Inc.

Promoter(s):

-

Project #2593147

Issuer Name:

UrtheCast Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated March 9, 2017
NP 11-202 Preliminary Receipt dated March 9, 2017

Offering Price and Description:

\$17,000,010.00 - 11,333,340 Common Shares
Price: \$1.50 per Common Share

Underwriter(s) or Distributor(s):

Clarus Securities Inc.
Canaccord Genuity Corp.
Raymond James Ltd.
Eight Capital

Promoter(s):

-

Project #2593106

Issuer Name:

Argonaut Gold Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 7, 2017
NP 11-202 Receipt dated March 7, 2017

Offering Price and Description:

\$40,080,000.00 - 16,700,000 Common Shares at a price of
\$2.40 per Offered Share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
GMP Securities L.P.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
Cormark Securities Inc.
Mackie Research Capital Corporation

Promoter(s):

-

Project #2588271

Issuer Name:

Blackbird Energy Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated March 9, 2017
NP 11-202 Receipt dated March 9, 2017

Offering Price and Description:

Up to \$81,012,000.00 - Up to 110,000,000 Common
Shares, Price \$0.55 per Common Share
Up to 25,781,250 CEE Flow-Through Shares, Price \$0.64
per CEE Flow-Through Share
Up to 6,800,000 CDE Flow-Through Shares, Price \$0.59
per CDE Flow-Through Share

Underwriter(s) or Distributor(s):

Cormark Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Haywood Securities Inc.
Laurentian Bank Securities Inc.
Raymond James Ltd.

Promoter(s):

-

Project #2588360

Issuer Name:

Canadian Imperial Bank of Commerce

Type and Date:

Final Shelf Prospectus dated March 6, 2017

Received on March 7, 2017

Offering Price and Description:

US\$10,000,000,000.00 - Senior Debt Securities (unsubordinated indebtedness), Subordinated Debt Securities (subordinated indebtedness), Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2587533

Issuer Name:

Dream Global Real Estate Investment Trust

Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 13, 2017

NP 11-202 Receipt dated March 13, 2017

Offering Price and Description:

\$100,032,000.00 - 10,420,000 Units at a price of \$9.60 per Unit.

Underwriter(s) or Distributor(s):

TD Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
National Bank Financial Inc.
GMP Securities L.P.

Promoter(s):

-

Project #2589704

Issuer Name:

First Capital Realty Inc.

Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 10, 2017

NP 11-202 Receipt dated March 10, 2017

Offering Price and Description:

\$185,400,000.00 - 9,000,000 Common Shares

Underwriter(s) or Distributor(s):

TD Securities Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.

Promoter(s):

-

Project #2591225

Issuer Name:

Golden Predator Mining Corp.

Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated March 7, 2017

NP 11-202 Receipt dated March 8, 2017

Offering Price and Description:

\$15,000,550.00 - 6,250,000 Common Shares - Price: \$1.60 per Offering Share

2,703,000 Flow-Through Common Shares - \$1.85 per FT Share

Underwriter(s) or Distributor(s):

Clarus Securities Inc.
GMP Securities L.P.

Promoter(s):

-

Project #2585742

Issuer Name:

InterRent Real Estate Investment Trust

Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 8, 2017

NP 11-202 Receipt dated March 8, 2017

Offering Price and Description:

\$75,033,600.00 (9,770,000 trust units) at a price of \$7.68 per Offered Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #2588261

Issuer Name:

Lithium X Energy Corp.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated March 8, 2017
NP 11-202 Receipt dated March 8, 2017

Offering Price and Description:

\$15,010,000 - 7,900,000 Common Shares at a price of
\$1.90 per Offered Share

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.
GMP Securities L.P.

Promoter(s):

Brian Paes-Braga
Project #2587049

Issuer Name:

North American Energy Partners Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated March 8, 2017
NP 11-202 Receipt dated March 8, 2017

Offering Price and Description:

\$40,000,000.00 - 5.50% Convertible Unsecured
Subordinated Debentures

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
Canaccord Genuity Corp.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.

Promoter(s):

-

Project #2586443

Issuer Name:

Prairie Provident Resources Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated March 8, 2017
NP 11-202 Receipt dated March 9, 2017

Offering Price and Description:

\$4,000,150.00
5,195,000 Flow-Through Shares - \$0.77 per Flow-Through
Share
\$4,000,570.00
5,971,000 Subscription Receipts each representing the
right to receive one Unit - \$0.67 per Subscription Receipt

Underwriter(s) or Distributor(s):

Mackie Research Capital Corporation
Beacon Securities Limited
Industrial Alliance Securities Inc.

Promoter(s):

-

Project #2586067

Issuer Name:

TAG Oil Ltd
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated March 10, 2017
NP 11-202 Receipt dated March 10, 2017

Offering Price and Description:

Up to \$14,995,500.00
Up to 23,070,000 Units at a Price: \$0.65 per Unit

Underwriter(s) or Distributor(s):

Mackie Research Capital Corporation

Promoter(s):

-

Project #2584211

Issuer Name:

Tricon Capital Group Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 10, 2017
NP 11-202 Receipt dated March 10, 2017

Offering Price and Description:

C\$174,982,500.00 - 17,675,000 Subscription Receipts
each representing the right to receive one Common Share
at a

price of C\$9.90 per Subscription Receipt
and

US\$150,000,000.00 - 5.75% Extendible Convertible
Unsecured Subordinated Debentures at a price of \$1,000
per Debenture

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
GMP Securities L.P.
BMO Nesbitt Burns Inc.
TD Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
Raymond James Ltd.
Canaccord Genuity Corp.
Paradigm Capital Inc.

Promoter(s):

-

Project #2588607

Issuer Name:

Uranium Energy Corp.
Principal Regulator - British Columbia

Type and Date:

Final Prospectus - MJDS dated March 10, 2017
NP 11-202 Receipt dated March 10, 2017

Offering Price and Description:

\$100,000,000.00 - Common Shares, Debt Securities,
Warrants, Subscription Receipts, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2571895

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

| Type | Company | Category of Registration | Effective Date |
|---------------------------------|---|---|------------------|
| New Registration | Girard Investor Services Inc. | Exempt Market Dealer | March 7, 2017 |
| Change in Registration Category | MaRS VX | From: Restricted Dealer To: Exempt Market Dealer | March 8, 2017 |
| New Registration | Cornerstone Investment Counsel Ltd. | Portfolio Manager and Investment Fund Manager | March 9, 2017 |
| Name Change | From: Acernis Capital Management Inc. To: Virtual Brokers Wealth Management Inc. | Portfolio Manager | January 20, 2017 |

This page intentionally left blank

Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.3 Clearing Agencies

13.3.1 CDS – Material Amendments to CDS Rules – Automatic and Discretionary Suspension – Notice of Commission Approval

CDS CLEARING AND DEPOSITORY SERVICES INC.

MATERIAL AMENDMENTS TO CDS RULES – AUTOMATIC AND DISCRETIONARY SUSPENSION

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on March 10, 2017 Material Amendments to CDS Rules – Automatic and Discretionary Suspension.

A copy of the CDS notice was published for comment on October 20, 2016 on the Commission's website at: <http://www.osc.gov.on.ca>. No comments were received

This page intentionally left blank

Index

| | |
|--|------|
| ABN AMRO Clearing Chicago LLC Order, Ruling and Exemption – ss. 38 and 73 of the CFA and s. 6.1 of OSC Rule 91-502 Trades in Recognized Options..... | 2394 |
| Acernis Capital Management Inc. Name Change..... | 2573 |
| AlphaPro Management Inc. Decision | 2352 |
| American Hotel Income Properties REIT LP Decision | 2365 |
| Bank of Nova Scotia Order – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids | 2386 |
| Blue River Resources Ltd. Cease Trading Order | 2405 |
| CDS Clearing Agencies – Material Amendments to CDS Rules – Automatic and Discretionary Suspension – Notice of Commission Approval | 2575 |
| Compagnie de Saint-Gobain Decision | 2347 |
| Cornerstone Investment Counsel Ltd. New Registration..... | 2573 |
| CSA Multilateral Staff Notice 51-349 Report on the Review of Investment Entities and Guide for Disclosure Improvements Notice..... | 2333 |
| Easy Technologies Inc. Cease Trading Order | 2405 |
| Enfield Technologies Inc. Cease Trading Order | 2405 |
| Equilibrium Partners Inc. Notice from the Office of the Secretary | 2335 |
| Order..... | 2377 |
| Estrella International Energy Services Ltd. Order..... | 2378 |
| Exo U Inc. Cease Trading Order | 2405 |
| Girard Investor Services Inc. New Registration..... | 2573 |
| Global Diversified Investment Grade Income Trust II Order | 2393 |
| Horizons ETFs Management (Canada) Inc. Decision..... | 2352 |
| Janus Capital Management LLC Order – s. 80 of the CFA | 2368 |
| MaRS VX Change in Registration Category..... | 2573 |
| McEwen Mining Inc. Decision..... | 2345 |
| Performance Sports Group Ltd. Cease Trading Order..... | 2405 |
| Quest Rare Minerals Ltd. Cease Trading Order..... | 2405 |
| Rotstein, Mark Steven Notice from the Office of the Secretary..... | 2335 |
| Order | 2377 |
| Royal Bank of Canada Order – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids..... | 2379 |
| Order – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids..... | 2386 |
| Sammy, Krishna Notice from the Office of the Secretary..... | 2335 |
| Order | 2377 |
| Schneider Electric S.E. Decision..... | 2356 |
| Sierra Wireless, Inc. Decision..... | 2362 |
| Toronto-Dominion Bank Order – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids..... | 2379 |
| Total S.A. Decision..... | 2337 |
| Virtual Brokers Wealth Management Inc. Name Change | 2573 |

This page intentionally left blank