

The Ontario Securities Commission

# OSC Bulletin

May 9, 2013

Volume 36, Issue 19

(2013), 36 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  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, Ontario  
M5H 3S8

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

Published under the authority of the Commission by:

**Carswell, a Thomson Reuters business**

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

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

Contact Centre - Inquiries, Complaints:

Fax: 416-593-8122

Market Regulation Branch:

Fax: 416-595-8940

Compliance and Registrant Regulation Branch

- Compliance:

Fax: 416-593-8240

- Registrant Regulation:

Fax: 416-593-8283

Corporate Finance Branch

- Team 1:

Fax: 416-593-8244

- Team 2:

Fax: 416-593-3683

- Team 3:

Fax: 416-593-8252

- Insider Reporting:

Fax: 416-593-3666

- Mergers and Acquisitions:

Fax: 416-593-8177

Enforcement Branch:

Fax: 416-593-8321

Executive Offices:

Fax: 416-593-8241

General Counsel's Office:

Fax: 416-593-3681

Investment Funds Branch:

Fax: 416-593-3699

Office of the Secretary:

Fax: 416-593-2318



THOMSON REUTERS

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

Subscriptions are available from Carswell at the price of \$649 per year.

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	\$175
Outside North America	\$400

Single issues of the printed Bulletin are available at \$20 per copy as long as supplies are available.

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

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

or call Carswell 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 Carswell 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 2013 Ontario Securities Commission  
ISSN 0226-9325  
Except Chapter 7 ©CDS INC.



THOMSON REUTERS

---

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](http://www.carswell.com)  
Email [www.carswell.com/email](mailto:www.carswell.com/email)

# Table of Contents

<p><b>Chapter 1 Notices / News Releases .....4737</b></p> <p><b>1.1 Notices .....4737</b></p> <p>1.1.1 Current Proceedings before the Ontario Securities Commission .....4737</p> <p>1.1.2 Notice of Ministerial Approval of Amendments to NI 41-101 General Prospectus Requirements .....4745</p> <p>1.1.3 Notice of Correction – Energy Syndications Inc. et al. (2013), 36 O.S.C.B. 3836 .....4746</p> <p>1.1.4 Notice of Ministerial Approval of Amendments to NI 41-101 General Prospectus Requirements and Companion Policy 41-101CP, NI 44-101 Short Form Prospectus Distributions and Companion Policy 44-101CP, NI 44-102 Shelf Distributions and Companion Policy 44-102CP, NI 81-101 Mutual Fund Prospectus Disclosure and Companion Policy 81-101CP and Consequential Amendments to National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, National Instrument 51-102 Continuous Disclosure Obligations and National Instrument 13-101 System for Electronic Document Analysis and Retrieval.....4747</p> <p><b>1.2 Notices of Hearing.....4748</b></p> <p>1.2.1 Ming Chao Zhao – ss. 127, 127.1 .....4748</p> <p><b>1.3 News Releases .....4752</b></p> <p>1.3.1 Canadian Securities Regulators Announce Roundtables to Receive Input on Statutory ‘Best Interest’ Duty .....4752</p> <p><b>1.4 Notices from the Office of the Secretary .....4753</b></p> <p>1.4.1 Ming Chao Zhao .....4753</p> <p>1.4.2 Ronald James Ovenden et al. ....4753</p> <p>1.4.3 Bunting &amp; Waddington Inc. et al. ....4754</p> <p>1.4.4 Majestic Supply Co. Inc. et al. ....4754</p> <p>1.4.5 Ontario Securities Commission Policy Hearing on Proposed Enforcement Initiatives – OSC Staff Notice 15-704 Request for Comments on Proposed Enforcement Initiatives .....4755</p> <p><b>Chapter 2 Decisions, Orders and Rulings .....4757</b></p> <p><b>2.1 Decisions .....4757</b></p> <p>2.1.1 Redknee Solutions Inc. ....4757</p> <p>2.1.2 Ratel Group Limited – s. 1(10)(a)(ii) .....4762</p> <p>2.1.3 Sundance Minerals Ltd.....4763</p> <p>2.1.4 Wescast Industries Inc. ....4765</p> <p>2.1.5 Aston Hill Asset Management Inc. and Aston Hill Global Resource &amp; Infrastructure Fund .....4767</p> <p>2.1.6 LOREX Technology Inc. ....4768</p> <p>2.1.7 Edgehill Partners .....4770</p> <p>2.1.8 National Bank Trust Inc. ....4774</p> <p>2.1.9 360 Vox Corporation .....4777</p>	<p><b>2.2 Orders ..... 4781</b></p> <p>2.2.1 Franklin Advisers, Inc. et al. – s. 80 of the CFA..... 4781</p> <p>2.2.2 Ronald James Ovenden et al. – ss. 127, 127.1 ..... 4791</p> <p>2.2.3 Bunting &amp; Waddington Inc. et al..... 4792</p> <p>2.2.4 Majestic Supply Co. Inc. et al. – Rules 1.6(2) and 11.5 of the OSC Rules of Procedure ..... 4793</p> <p>2.2.5 Taggart Capital Corp. – s. 1(6) of the OBCA..... 4794</p> <p>2.2.6 iShares MSCI Emerging Markets IMI Index ETF et al. – s. 1.1 of OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions ..... 4795</p> <p>2.2.7 First Trust AlphaDEX™ Canadian Dividend Plus ETF et al. – s. 1.1 of OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions ..... 4796</p> <p>2.2.8 Forex Capital Markets, LLC et al. – s. 74(1)..... 4797</p> <p>2.2.9 Mackenzie Financial Corporation et al. – ss. 78(1), 80 of the CFA..... 4800</p> <p>2.2.10 State Street Global Advisors, Ltd. and SSgA Funds Management, Inc. – s. 80 of the CFA..... 4810</p> <p><b>2.3 Rulings..... (nil)</b></p> <p><b>Chapter 3 Reasons: Decisions, Orders and Rulings .....(nil)</b></p> <p><b>3.1 OSC Decisions, Orders and Rulings .....(nil)</b></p> <p><b>3.2 Court Decisions, Order and Rulings .....(nil)</b></p> <p><b>Chapter 4 Cease Trading Orders ..... 4815</b></p> <p>4.1.1 Temporary, Permanent &amp; Rescinding Issuer Cease Trading Orders..... 4815</p> <p>4.2.1 Temporary, Permanent &amp; Rescinding Management Cease Trading Orders ..... 4815</p> <p>4.2.2 Outstanding Management &amp; Insider Cease Trading Orders ..... 4815</p> <p><b>Chapter 5 Rules and Policies ..... 4817</b></p> <p>5.1.1 Amendments to NI 41-101 General Prospectus Requirements..... 4817</p> <p>5.1.2 Amendments to NI 41-101 General Prospectus Requirements and Companion Policy 41-101CP ..... 4884</p> <p>5.1.3 Amendments to NI 44-101 Short Form Prospectus Distributions and Companion Policy 44-101CP ..... 4917</p> <p>5.1.4 Amendments to NI 44-102 Shelf Distributions and Companion Policy 44-102CP ..... 4927</p>
--	---

## Table of Contents

---

5.1.5	Amendments to NI 81-101 Mutual Fund Prospectus Disclosure and Companion Policy 81-101CP .....	4929
5.1.6	Amendments to NI 52-107 Acceptable Accounting Principles and Auditing Standards and Companion Policy 52-107CP .....	4935
5.1.7	Amendments to NI 51-102 Continuous Disclosure Obligations.....	4939
5.1.8	Amendments to NI 13-101 System for Electronic Document Analysis and Retrieval (SEDAR).....	4940
<b>Chapter 6</b>	<b>Request for Comments .....</b>	<b>(nil)</b>
<b>Chapter 7</b>	<b>Insider Reporting.....</b>	<b>4941</b>
<b>Chapter 8</b>	<b>Notice of Exempt Financings .....</b>	<b>5013</b>
	Reports of Trades Submitted on Forms 45-106F1 and 45-501F1 .....	5013
<b>Chapter 9</b>	<b>Legislation .....</b>	<b>(nil)</b>
<b>Chapter 11</b>	<b>IPOs, New Issues and Secondary Financings .....</b>	<b>5017</b>
<b>Chapter 12</b>	<b>Registrations .....</b>	<b>5023</b>
12.1.1	Registrants .....	5023
<b>Chapter 13</b>	<b>SROs, Marketplaces and Clearing Agencies .....</b>	<b>5025</b>
<b>13.1</b>	<b>SROs.....</b>	<b>(nil)</b>
<b>13.2</b>	<b>Marketplaces.....</b>	<b>5025</b>
13.2.1	Notice of Commission Approval – TSX Inc. and Alpha Exchange Inc. – Fees Filed under Section 8(c) of Recognition Order .....	5025
<b>13.3</b>	<b>Clearing Agencies .....</b>	<b>5026</b>
13.3.1	Material Amendments to CDS Procedures – Trade Confirmation and Matching Compliance as per IIROC Dealer Member Rules 800.49 and 200.1(h) Changes – Request for Comments .....	5026
<b>Chapter 25</b>	<b>Other Information .....</b>	<b>(nil)</b>
<b>Index .....</b>		<b>5031</b>

## Chapter 1

# Notices / News Releases

### 1.1 Notices

### SCHEDULED OSC HEARINGS

#### 1.1.1 Current Proceedings Before The Ontario Securities Commission

May 9, 2013

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

-----

Unless otherwise indicated in the date column, all hearings will take place at the following location:

Ontario Securities Commission  
Cadillac Fairview Tower  
20 Queen Street West, 17<sup>th</sup> Floor  
Toronto, Ontario  
M5H 3S8

Telephone: 416-597-0681 Telecopier: 416-593-8348

#### CDS

#### TDX 76

-----

#### THE COMMISSIONERS

Howard I. Wetston, Chair	—	HIW
James E. A. Turner, Vice Chair	—	JEAT
Lawrence E. Ritchie, Vice Chair	—	LER
Mary G. Condon, Vice Chair	—	MGC
Sinan O. Akdeniz	—	SOA
Catherine E. Bateman	—	CEB
James D. Carnwath	—	JDC
Sarah B. Kavanagh	—	SBK
Edward P. Kerwin	—	EPK
Vern Krishna	—	VK
Deborah Leckman	—	DL
Alan J. Lenczner	—	AJL
Christopher Portner	—	CP
Judith N. Robertson	—	JNR
AnneMarie Ryan	—	AMR
Charles Wesley Moore (Wes) Scott	—	CWMS

May 14, 2013

10:00 a.m.

**York Rio Resources Inc.,  
Brilliante Brasilcan Resources  
Corp., Victor York, Robert Runic,  
George Schwartz, Peter  
Robinson, Adam Sherman, Ryan  
Demchuk, Matthew Oliver,  
Gordon Valde and Scott  
Bassingdale**

s. 127

H. Craig/C. Watson in attendance  
for Staff

Panel: VK/EPK

May 15, 2013

9:00 a.m.

**Energy Syndications Inc. Green  
Syndications Inc. , Syndications  
Canada Inc., Daniel Strumos,  
Michael Baum and Douglas  
William Chaddock**

s. 127

May 16-17 and  
May 22-24,  
2013

C. Johnson in attendance for Staff

Panel: AJL

10:00 a.m.

May 14-17 and  
May 22-24,  
2013

10:00 a.m.

**Energy Syndications Inc. Green  
Syndications Inc. , Syndications  
Canada Inc., Daniel Strumos,  
Michael Baum and Douglas  
William Chaddock**

s. 127

C. Johnson in attendance for Staff

Panel: AJL

May 15, 2013

10:00 a.m.

**Quadrex Asset Management  
Inc., Quadrex Secured Assets  
Inc., Offshore Oil Vessel Supply  
Services LP, Quibik Income Fund  
and Quibik Opportunities Fund**

s. 127

D. Ferris in attendance for Staff

Panel: JEAT

<p>May 15-16 and May 30, 2013</p> <p>10:00 a.m.</p>	<p><b>Sandy Winick, Andrea Lee McCarthy, Kolt Curry, Laura Mateyak, Gregory J. Curry, American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Liquid Gold International Corp., (aka Liquid Gold International Inc.) and Nanotech Industries Inc.</b></p> <p>s. 127</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: JDC</p>	<p>May 22-31, 2013</p> <p>10:00 a.m.</p>	<p><b>2196768 Ontario Ltd carrying on business as Rare Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov</b></p> <p>s. 127</p> <p>D. Campbell in attendance for Staff</p> <p>Panel: EPK</p>
<p>May 17, 2013</p> <p>9:00 a.m.</p>	<p><b>Ming Chao Zhao</b></p> <p>s. 127 and 127.1</p> <p>M. Britton in attendance for Staff</p> <p>Panel: EPK</p>	<p>May 27, 2013</p> <p>10:00 a.m.</p>	<p><b>AMTE Services Inc., Osler Energy Corporation, Ranjit Grewal, Phillip Colbert and Edward Ozga</b></p> <p>s. 127</p> <p>C. Rossi in attendance for Staff</p> <p>Panel: JEAT</p>
<p>May 17, 2013</p> <p>10:00 a.m.</p>	<p><b>Blackwood &amp; Rose Inc., Steven Zetchus and Justin Kreller (also known as Justin Kay)</b></p> <p>s. 37, 127 and 127.1</p> <p>C. Rossi in attendance for Staff</p> <p>Panel: JEAT</p>	<p>May 27, 2013</p> <p>11:00 a.m.</p>	<p><b>Heritage Education Funds Inc.</b></p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: JEAT</p>
<p>May 22, 2013</p> <p>9:45 a.m.</p>	<p><b>Global Consulting and Financial Services, Global Capital Group, Crown Capital Management Corp., Michael Chomica, Jan Chomica and Lorne Banks</b></p> <p>s. 127</p> <p>C. Rossi in attendance for Staff</p> <p>Panel: AJL</p>	<p>May 28-31, June 5-6, 10-12, 14-17, 19-21 and July 22-26, 2013</p> <p>10:00 a.m.</p>	<p><b>Jowdat Waheed and Bruce Walter</b></p> <p>s. 127</p> <p>J. Lynch in attendance for Staff</p> <p>Panel: CP/SBK/PLK</p>
<p>May 22, 2013</p> <p>10:00 a.m.</p>	<p><b>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</b></p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: CP</p>	<p>June 5, 2013</p> <p>9:00 a.m.</p>	<p><b>Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (also known as Peter Kuti), Jan Chomica, and Lorne Banks</b></p> <p>s. 127</p> <p>C. Rossi in attendance for Staff</p> <p>Panel: CP</p>

<p>June 5-17 and June 19-25, 2013</p> <p>10:00 a.m.</p>	<p><b>David Charles Phillips and John Russell Wilson</b></p> <p>s. 127</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: JDC/EPK/CWMS</p>	<p>June 14, 2013</p> <p>10:00 a.m.</p>	<p><b>Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)</b></p> <p>s. 127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: VK</p>
<p>June 6, 2013</p> <p>10:00 a.m.</p>	<p><b>New Hudson Television Corporation, New Hudson Television L.L.C. &amp; James Dmitry Salganov</b></p> <p>s. 127</p> <p>C. Watson in attendance for Staff</p> <p>Panel: MGC</p>	<p>June 19, 2013</p> <p>11:00 a.m.</p>	<p><b>Knowledge First Financial Inc.</b></p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: JEAT</p>
<p>June 6, 2013</p> <p>10:00 a.m.</p>	<p><b>New Hudson Television LLC &amp; Dmitry James Salganov</b></p> <p>s. 127</p> <p>C. Watson in attendance for Staff</p> <p>Panel: MGC</p>	<p>June 27, 2013</p> <p>10:00 a.m.</p>	<p><b>Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk</b></p> <p>s. 37, 127 and 127.1</p> <p>C. Price in attendance for Staff</p> <p>Panel: JDC</p>
<p>June 6, 2013</p> <p>11:00 a.m.</p>	<p><b>Ground Wealth Inc., Armadillo Energy Inc., Paul Schuett, Doug DeBoer, James Linde, Susan Lawson, Michelle Dunk, Adrion Smith, Bianca Soto and Terry Reichert</b></p> <p>s. 127</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: MGC</p>	<p>July 3, 2013</p> <p>10:00 a.m.</p>	<p><b>Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.</b></p> <p>s. 127</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: VK</p>
<p>June 6, 2013</p> <p>11:00 a.m.</p>	<p><b>Ground Wealth Inc., Michelle Dunk, Adrion Smith, Joel Webster, Douglas DeBoer, Armadillo Energy Inc., Armadillo Energy, Inc., and Armadillo Energy LLC</b></p> <p>s. 127</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: MGC</p>	<p>July 31, 2013</p> <p>10:00 a.m.</p>	<p><b>Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang</b></p> <p>s. 127 and 127.1</p> <p>H. Craig in attendance for Staff</p> <p>Panel: MGC</p>

August 1, 2013  
10:00 a.m.

**Ronald James Ovenden, New Solutions Capital Inc., New Solutions Financial Corporation and New Solutions Financial (II) Corporation**

s. 127

Y. Chisholm in attendance for Staff

Panel: JEAT

September 4, 2013  
11:00 a.m.

**Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff**

s. 127

C. Watson in attendance for Staff

Panel: EPK

September 16-23, September 25 – October 7, October 9-21, October 23 – November 4, November 6-18, November 20 – December 2, December 4-16 and December 18-20, 2013

**Eda Marie Agueci, Dennis Wing, Santo Iacono, Josephine Raponi, Kimberley Stephany, Henry Fiorillo, Giuseppe (Joseph) Fiorini, John Serpa, Ian Telfer, Jacob Gornitzki and Pollen Services Limited**

s. 127

U. Sheikh in attendance for Staff

Panel: JDC

10:00 a.m.

October 15-21, October 23-29, 2013

**Normand Gauthier, Gentree Asset Management Inc., R.E.A.L. Group Fund III (Canada) LP, and CanPro Income Fund I, LP**

s. 127

B. Shulman in attendance for Staff

Panel: EPK

10:00 a.m.

November 4 and November 6-18, 2013

10:00 a.m.

**Systematech Solutions Inc., April Vuong and Hao Quach**

s. 127

D. Ferris in attendance for Staff

Panel: TBA

January 13, January 15-27, January 29 – February 10, February 12-14 and February 18-21, 2014

10:00 a.m.

**International Strategic Investments, International Strategic Investments Inc., Somin Holdings Inc., Nazim Gillani and Ryan J. Driscoll.**

s. 127

C. Watson in attendance for Staff

Panel: TBA

May 5-16 and May 20 – June 20, 2014

10:00 a.m.

**Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)**

s. 127

T. Center/D. Campbell in attendance for Staff

Panel: TBA

In writing

**Morgan Dragon Development Corp., John Cheong (aka Kim Meng Cheong), Herman Tse, Devon Ricketts and Mark Griffiths**

s. 127

J. Feasby in attendance for Staff

Panel: EPK

TBA

**Yama Abdullah Yaqeen**

s. 8(2)

J. Superina in attendance for Staff

Panel: TBA



TBA	<p><b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b></p> <p>s. 127</p> <p>Panel: TBA</p>	TBA	<p><b>Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan</b></p> <p>s. 127</p> <p>H. Craig/C. Rossi in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Frank Dunn, Douglas Beatty, Michael Gollogly</b></p> <p>s. 127</p> <p>Panel: TBA</p>	TBA	<p><b>Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt</b></p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</b></p> <p>s. 127 and 127(1)</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>David M. O'Brien</b></p> <p>s. 37, 127 and 127.1</p> <p>B. Shulman in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Gold-Quest International and Sandra Gale</b></p> <p>s. 127</p> <p>C. Johnson in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Bunting &amp; Waddington Inc., Arvind Sanmugam, Julie Winget and Jenifer Brekelmans</b></p> <p>s. 127</p> <p>M. Britton/A. Pelletier in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Beryl Henderson</b></p> <p>s. 127</p> <p>Panel: TBA</p>
		TBA	<p><b>Crown Hill Capital Corporation and Wayne Lawrence Pushka</b></p> <p>s. 127</p> <p>A. Perschy/A. Pelletier in attendance for Staff</p> <p>Panel: TBA</p>

TBA	<p><b>Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</b></p> <p>s. 127</p> <p>H Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho, Simon Yeung and David Horsley</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjaiants, Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group</b></p> <p>s. 127 and 127.1</p> <p>D. Campbell in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
		TBA	<p><b>Fawad UI Haq Khan and Khan Trading Associates Inc. carrying on business as Money Plus</b></p> <p>s. 60 and 60.1 of the <i>Commodity Futures Act</i></p> <p>T. Center in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Ernst &amp; Young LLP</b></p> <p>s. 127 and 127.1</p> <p>A. Clark in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Global RESP Corporation and Global Growth Assets Inc.</b></p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Newer Technologies Limited, Ryan Pickering and Rodger Frey</b></p> <p>s. 127 and 127.1</p> <p>B. Shulman in attendance for staff</p> <p>Panel: TBA</p>	TBA	<p><b>Issam El-Bouji, Global RESP Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh</b></p> <p>s. 127 and 127.1</p> <p>P. Foy in attendance for Staff</p> <p>Panel: TBA</p>

TBA	<p><b>Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith</b></p> <p>s. 127(1) and (5)</p> <p>A. Heydon/Y. Chisholm in attendance for Staff</p> <p>Panel : TBA</p>	TBA	<p><b>Portfolio Capital Inc., David Rogerson and Amy Hanna-Rogerson</b></p> <p>s. 127</p> <p>J. Lynch in attendance for Staff</p> <p>Panel: TBA</p>
TBA.	<p><b>Moncasa Capital Corporation and John Frederick Collins</b></p> <p>s. 127</p> <p>T. Center in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Heritage Management Group and Anna Hrynisak</b></p> <p>s. 127</p> <p>C. Rossi in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Garth H. Drabinsky, Myron I. Gottlieb and Gordon Eckstein</b></p> <p>s. 127</p> <p>A. Clark/J. Friedman in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti</b></p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: JDC</p>
TBA	<p><b>Vincent Ciccone and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation)</b></p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>New Solutions Capital Inc., New Solutions Financial Corporation, New Solutions Financial (II) Corporation, New Solutions Financial (III) Corporation, New Solutions Financial (VI) Corporation and Ron Ovenden</b></p> <p>s. 127</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Onix International Inc. and Tyrone Constantine Phipps</b></p> <p>s. 127</p> <p>C. Rossi in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Children's Education Funds Inc.</b></p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>

**ADJOURNED SINE DIE**

**Global Privacy Management Trust and Robert Cranston**

**LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia**

**Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson**

**1.1.2 Notice of Ministerial Approval of Amendments to NI 41-101 General Prospectus Requirements**

**NOTICE OF MINISTERIAL APPROVAL OF  
AMENDMENTS TO  
NATIONAL INSTRUMENT 41-101 GENERAL PROSPECTUS REQUIREMENTS**

On March 27, 2013, the Minister of Finance approved amendments (the Amendments) made by the Ontario Securities Commission to National Instrument 41-101 *General Prospectus Requirements*, including:

- Form 41-101F2 *Information Required in an Investment Fund Prospectus*; and
- New Form 41-101F3 *Information Required in a Scholarship Plan Prospectus*.

The Amendments were made by the Commission on November 6, 2012, and were published in a supplement to the OSC Bulletin on January 10, 2013. The Amendments come into force on May 31, 2013. The text of the Amendments is reproduced in Chapter 5 of this Bulletin.

1.1.3 Notice of Correction – Energy Syndications Inc. et al. (2013), 36 O.S.C.B. 3836

**NOTICE OF CORRECTION**

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

**AND**

**IN THE MATTER OF  
ENERGY SYNDICATIONS INC.,  
GREEN SYNDICATIONS INC.,  
SYNDICATIONS CANADA INC.,  
DANIEL STRUMOS, MICHAEL BAUM  
and DOUGLAS WILLIAM CHADDOCK**

(2013), 36 O.S.C.B. 3836. The first recital of the Order reads:

**WHEREAS** on April 13, 2013, the Ontario Securities Commission (the “Commission”) convened to conduct a hearing on the merits with respect to the allegations contained in the Statement of Allegations filed by Staff of the Commission (“Staff”) on March 30, 2012 in respect of Energy Syndications Inc., Green Syndications Inc., Syndications Canada Inc., Daniel Strumos (“Strumos”), Michael Baum (“Baum”), and Douglas William Chaddock (“Chaddock”);

This should read instead:

**WHEREAS** on April 8, 2013, the Ontario Securities Commission (the “Commission”) convened to conduct a hearing on the merits with respect to the allegations contained in the Statement of Allegations filed by Staff of the Commission (“Staff”) on March 30, 2012 in respect of Energy Syndications Inc., Green Syndications Inc., Syndications Canada Inc., Daniel Strumos (“Strumos”), Michael Baum (“Baum”), and Douglas William Chaddock (“Chaddock”);

- 1.1.4 Notice of Ministerial Approval of Amendments to NI 41-101 General Prospectus Requirements and Companion Policy 41-101CP, NI 44-101 Short Form Prospectus Distributions and Companion Policy 44-101CP, NI 44-102 Shelf Distributions and Companion Policy 44-102CP, NI 81-101 Mutual Fund Prospectus Disclosure and Companion Policy 81-101CP and Consequential Amendments to National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, National Instrument 51-102 Continuous Disclosure Obligations and National Instrument 13-101 System for Electronic Document Analysis and Retrieval

**NOTICE OF MINISTERIAL APPROVAL OF AMENDMENTS TO  
NATIONAL INSTRUMENT 41-101 *GENERAL PROSPECTUS REQUIREMENTS*  
AND COMPANION POLICY 41-101CP  
AND TO  
NATIONAL INSTRUMENT 44-101 *SHORT FORM PROSPECTUS DISTRIBUTIONS*  
AND COMPANION POLICY 44-101CP  
AND TO  
NATIONAL INSTRUMENT 44-102 *SHELF DISTRIBUTIONS*  
AND COMPANION POLICY 44-102CP  
AND TO  
NATIONAL INSTRUMENT 81-101 *MUTUAL FUND PROSPECTUS DISCLOSURE*  
AND COMPANION POLICY 81-101CP  
AND TO  
CONSEQUENTIAL AMENDMENTS TO  
NATIONAL INSTRUMENT 52-107 *ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS*,  
NATIONAL INSTRUMENT 51-102 *CONTINUOUS DISCLOSURE OBLIGATIONS* AND  
NATIONAL INSTRUMENT 13-101 *SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL***

On April 25, 2013, the Minister of Finance approved amendments (the Rule Amendments) made by the Ontario Securities Commission to the following rules:

- National Instrument 41-101 *General Prospectus Requirements*;
- National Instrument 44-101 *Short Form Prospectus Distributions*;
- National Instrument 44-102 *Shelf Distributions*;
- National Instrument 81-101 *Mutual Fund Prospectus Disclosure*; and
- Consequential Amendments to National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 13-101 *System for Electronic Document Analysis and Retrieval*.

The Rule Amendments were made by the Commission on January 29, 2013.

On January 29, 2013 the Commission also adopted amendments (the Policy Amendments) to the following policies;

- Companion Policy 41-101CP to National Instrument 41-101 *General Prospectus Requirements*;
- Companion Policy 44-101CP to National Instrument 44-101 *Short Form Prospectus Distributions*;
- Companion Policy 44-102CP to National Instrument 44-102 *Shelf Distributions*; and
- Companion Policy 81-101CP to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

The Rule Amendments and the Policy Amendments (collectively, the Amendments) were published in Chapter 5 of the Bulletin on February 28, 2013. The Amendments come into force on May 14, 2013. The text of the Amendments is reproduced in Chapter 5 of this Bulletin.

**May 9, 2013**

1.2 Notices of Hearing

1.2.1 Ming Chao Zhao – ss. 127, 127.1

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

**AND**

**IN THE MATTER OF  
MING CHAO ZHAO**

**NOTICE OF HEARING  
(Pursuant to sections 127 and 127.1 of the Securities Act)**

**TAKE NOTICE** that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on Friday, the 17th day of May, 2013 at 9:00 a.m. or soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve a settlement agreement dated April 30, 2013 entered into between Staff of the Commission (“Staff”) and Ming Chao Zhao pursuant to sections 127 and 127.1 of the Act;

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff dated May 2, 2013, and such additional allegations as counsel may advise and the Commission may permit;

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

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

**DATED** at Toronto this 2nd day of May, 2013.

“John Stevenson”  
Secretary of the Commission



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

**AND**

**IN THE MATTER OF  
MING CHAO ZHAO**

**STATEMENT OF ALLEGATIONS OF STAFF OF  
THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission ("Staff") allege the following:

**I. OVERVIEW**

**(a) General**

1. Between June 2010 and December 2011 (the "Relevant Period"), Ming Chao Zhao, also known as Michael Zhao ("Zhao"), engaged in insider trading. Zhao was an Investment Banking Analyst at BMO Nesbitt Burns ("BMO"). He was in possession of undisclosed material information about Menu Foods Income Fund, ("Menu Foods"), Consolidated Thompson Iron Mines Ltd. ("Consolidated Thompson"), Forzani Group Ltd. ("Forzani"), Pacific Northern Gas Ltd. ("Pacific Northern") and Canmarc REIT ("Canmarc") (the "Five Reporting Issuers") as a result of his position at BMO.
2. The undisclosed material information about the Five Reporting Issuers was that they were involved in merger and acquisition ("M&A") transactions. BMO was involved in these M&A transactions as a financial adviser.
3. Zhao directed the purchase of the securities of the Five Reporting Issuers in advance of the public announcement of the M&A transactions in an online discount brokerage account with TD Waterhouse ("Waterhouse") held by a family member with a name other than Zhao (the "Family Account"). After the public announcement of the M&A transactions, Zhao directed the sale of the securities of the Five Reporting Issuers to earn a profit in the Family Account of approximately \$416,000.
4. Zhao's trading in the Family Account was not disclosed to BMO, contrary to its compliance policies.

**(b) Conduct contrary to the Act**

5. As a result of his position at BMO, Zhao was a person in a special relationship to the Five Reporting Issuers. While a person in a special relationship with the Five Reporting Issuers, Zhao purchased securities of the Five Reporting Issuers with knowledge of undisclosed material information about the Five Reporting Issuers and thereby engaged in insider trading contrary to subsection 76(1) of the Act.

**II. THE RESPONDENT**

6. Zhao is 28 years of age. He lives in Toronto. He was employed by BMO as an Investment Banking Analyst.
7. Zhao was hired on July 5, 2009, as an Investment Banking Analyst in the Media & Communication Group of the Investment & Corporate Banking division of BMO. His duties included the following:
  - (a) conducting financial analyses of companies, including comparable trading analysis, precedent transaction analysis, and pro-forma financial modelling;
  - (b) preparing proactive client pitches, including compiling data, assembling presentation materials, and conducting specific research to support valuation and rationale; and
  - (c) participating in strategic alternatives reviews for clients by applying capital markets knowledge.

**III. ZHAO'S CONDUCT**

**(a) Trading in the Family Account**

8. The trades in the Family Account occurred proximate to the merger announcements. For instance, the Family Account started accumulating the bulk of holdings in Consolidated Thompson on the day prior to the M&A announcements. The Family Account also bought Pacific Northern within a week, Canmarc within two weeks and accumulated Forzani shares within three weeks of the M&A announcements. The Family Account made its largest investment of \$814,400 in Canmarc in advance of the public announcement of the M&A deal on November 28, 2011, shortly before Zhao left BMO.

**(i) Menu Foods Income Fund**

9. At 2:15 a.m. on August 9, 2010, Menu Foods announced that Simmons Pet Food, an affiliate of Simmons Foods, Inc. had entered into a definitive agreement to acquire Menu Foods for approximately \$239 million, including assumption of existing debt. Immediately after the disposition of the Fund's assets, the units of the Fund would be redeemed for \$4.80 per unit in cash.

10. On August 6, 2010, Menu Foods' unit price closed at \$3.27.

11. On August 9, 2010, Menu Foods' unit price closed at \$4.72.

12. Prior to the public announcement of the agreement that Simmons Pet Food would acquire Menu Foods, Zhao accessed the shared network drive at BMO and was aware of the transaction before it was announced. Between June 16, 2010 and July 22, 2010, Zhao had 24,000 units of Menu Foods purchased at a total cost of \$86,549 in the Family Account at an average price of \$3.61.

13. On August 9, 2010, the day of the takeover announcement, Zhao had the Family Account sell its entire 24,000 share position at an average price of \$4.72 per unit.

14. The Family Account earned a profit of \$26,720.

**(ii) Consolidated Thompson Iron Mines Ltd.**

15. At 4:41 p.m. (after market close) on January 11, 2011, Cliffs Natural Resources publicly announced that it had entered into a definitive arrangement agreement with Consolidated Thompson to acquire all of its shares in an all cash transaction valued at approximately \$4.9 billion (including net debt), or \$17.25/share.

16. On January 11, 2011, Consolidated Thompson closed at \$13.38/share.

17. On January 12, 2011, Consolidated Thompson closed at \$17.35/share.

18. Prior to the public announcement of the acquisition of Consolidated Thompson by Cliffs Natural Resources, Zhao accessed BMO's shared network drive and was aware of the pending transaction prior to its public announcement.

19. Between January 10, 2011 and January 11, 2011, Zhao had the Family Account purchase 16,500 shares at a total cost of \$218,280 at an average price of \$13.23.

20. On January 18, 2011 and January 24, 2011, Zhao had the Family Account sell 16,500 shares in Consolidated Thompson at an average price of \$17.29/share.

21. The Family Account earned a profit of \$66,944.

**(iii) Forzani Group Limited**

22. At 6:35 a.m. on May 9, 2011, the Forzani Group publicly announced that it would be acquired by Canadian Tire for \$26.50/share in cash.

23. On May 6, 2011, Forzani's share price closed at \$17.61/share.

24. On May 9, 2011, Forzani's share price closed at \$26.25/share.

25. Prior to the public announcement of the acquisition of Forzani by Canadian Tire, Zhao accessed BMO's shared network drive and was aware of the pending acquisition before it was publicly announced. Between April 18, 2011, and May 6, 2011, Zhao had the Family Account purchase 11,500 shares at an average price of \$18.18 per share.

26. On May 9, 2011, Zhao had the Family Account sell 6,500 shares of Forzani at an average price of \$26.22/share.

27. On June 1, 2011, Zhao had the Family Account sell the remaining 5,000 shares of Forzani at an average price of \$26.41/share.

28. The Family Account earned a profit of \$93,339.

**(iv) Pacific Northern Gas Ltd**

29. At 7:30 a.m. on Monday, October 31, 2011, AltaGas publicly announced that it had entered into a definitive agreement with Pacific Northern pursuant to which AltaGas would indirectly acquire all of the issued and outstanding common shares of Pacific Northern for \$36.75 cash per share.

30. On October 28, 2011, Pacific Northern's stock price closed at \$30.50.
31. On October 31, 2011, Pacific Northern's stock price closed at \$36.67.
32. Prior to the public announcement of the acquisition of Pacific Northern by AltaGas, Zhao accessed BMO's shared network drive and was aware of the pending acquisition before it was publicly announced. Between October 25, 2011 and October 28, 2011, Zhao had the Family Account purchase 7,500 shares of Pacific Northern at a total cost of \$222,296 at an average price of \$29.64/share.
33. On November 4, 2011, Zhao had the Family Account sell 7,400 shares of Pacific Northern and sell its remaining 100 shares of Pacific Northern on November 7, 2011.

34. The Family Account earned a profit of \$52,935.

**(v) Canmarc Real Estate Investment Trust**

35. At 6:30 a.m. on November 28, 2011, Cominar publicly announced its intention to acquire all units of Canmarc in an all-cash offer of \$15.30/unit. Additionally, Cominar purchased by way of private placement, a total of 3,099,300 Canmarc units, representing 5.7% of the total issued and outstanding units.
36. On November 25, 2011, Canmarc's unit price closed at \$13.28/unit.
37. On November 28, 2011, Canmarc's unit price closed at \$15.80/unit.
38. Prior to the public announcement of the acquisition of Canmarc by Cominar, Zhao accessed BMO's shared network drive and was aware of the acquisition before it was publicly announced. Between November 11, 2011 and November 21, 2011, Zhao had the Family Account purchase 60,000 units of Canmarc at a total cost of \$814,400 at an average price of \$13.57/unit. On January 26, 2012, Zhao had the Family Account sell its total position of 60,000 Canmarc units at an average price of \$16.52.
39. The Family Account earned a profit of \$176,781.

**(b) Trading in the Family Account was directed by Zhao**

40. All the trades in the Family Account were made by Zhao or at the direction of Zhao.

**(c) Materiality of BMO information**

41. BMO was retained as financial advisers on each of the five M&A deals.
42. At the time that the securities of the Five Reporting Issuers were purchased in the Family Account, BMO was in possession of material information about the Five Reporting Issuers. The material information had not been generally disclosed. Indeed, it was highly confidential.

**(d) Zhao's access to undisclosed material information**

43. At the time that the securities of the Five Reporting Issuers were purchased in the Family Account, Zhao had access to material undisclosed information about the Five Reporting Issuers. As a result of his position, he had access to a shared computer network drive where confidential documents respecting the relevant M&A deals were stored. He accessed relevant documents on the shared network drive in advance of trading of the securities of Menu Foods, Consolidated Thompson, Forzani, Pacific Northern, and Canmarc.

**IV. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND CONTRARY TO THE PUBLIC INTEREST**

44. By purchasing securities of the Five Reporting Issuers while possessed with knowledge of undisclosed material information about the Five Reporting Issuers and while in a special relationship with the Five Reporting Issuers, Zhao engaged in insider trading contrary to subsection 76(1) of the Act and thereby acted contrary to the public interest.
45. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto, this 2nd day of May, 2013

1.3 News Releases

1.3.1 Canadian Securities Regulators Announce Roundtables to Receive Input on Statutory 'Best Interest' Duty

For more information:

Carolyn Shaw-Rimmington  
Ontario Securities Commission  
416-593-2361

FOR IMMEDIATE RELEASE  
May 1, 2013

**CANADIAN SECURITIES REGULATORS  
ANNOUNCE ROUNDTABLES TO RECEIVE INPUT  
ON STATUTORY 'BEST INTEREST' DUTY**

**Toronto** – The Canadian Securities Administrators (CSA) announced today that the Ontario Securities Commission (OSC) will host two roundtables to further explore and discuss the issues identified in CSA Consultation Paper 33-403 – *The Standard of Conduct for Advisers and Dealers: Exploring the Appropriateness of Introducing a Statutory Best Interest Duty When Advice is Provided to Retail Clients*.

The roundtables are part of the CSA's ongoing effort to explore the potential benefits and competing considerations of introducing a statutory fiduciary, or 'best interest', standard for advisers and dealers when they provide advice to retail clients. The Consultation Paper, which was published October 25, 2012, examines whether a statutory best interest standard should be adopted, whether another policy solution would be more effective or whether the current Canadian standard of conduct framework is adequate.

The first of two roundtables will be held on June 18, 2013, from 9 a.m. to 12 p.m. and is geared toward investors and investor organizations. The second roundtable will be held on June 25, 2013, from 9 a.m. to 12 p.m. and is geared toward advisers, dealers and industry organizations. Both roundtables will take place on the 22nd floor of the OSC's offices located at 20 Queen Street West in Toronto, Ontario.

Interested parties are asked to send an e-mail to [bestinterestconsultations@osc.gov.on.ca](mailto:bestinterestconsultations@osc.gov.on.ca) by Monday, May 13, 2013. Further details, including the final agenda, will be provided closer to the event dates.

A third, follow-up session is being planned for a date in July and both investors and industry (and each of their related organizations) will be invited to attend. This session will focus the dialogue, building on the previous roundtables, with a panel discussion designed to reflect the diversity of views on this issue. Additional details on this session will be published at a later date.

Other jurisdictions of the CSA may also host roundtables. The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

1.4 Notices from the Office of the Secretary

1.4.1 Ming Chao Zhao

FOR IMMEDIATE RELEASE  
May 2, 2013

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

AND

IN THE MATTER OF  
MING CHAO ZHAO

**TORONTO** – The Office of the Secretary issued a Notice of Hearing in the above noted matter for a hearing to consider whether it is in the public interest to approve the settlement agreement entered into between Staff of the Commission and Ming Chao Zhao. The hearing will be held on May 17, 2013 at 9:00 a.m. at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto, Ontario.

A copy of the Notice of Hearing dated May 2, 2013 and Statement of Allegations of Staff of the Ontario Securities Commission dated May 2, 2013 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimmington  
Manager, Public Affairs  
416-593-2361

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

1.4.2 Ronald James Ovenden et al.

FOR IMMEDIATE RELEASE  
May 2, 2013

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

AND

IN THE MATTER OF  
RONALD JAMES OVENDEN,  
NEW SOLUTIONS CAPITAL INC.,  
NEW SOLUTIONS FINANCIAL CORPORATION AND  
NEW SOLUTIONS FINANCIAL (II) CORPORATION

**TORONTO** – The Commission issued an Order in the above noted matter which provides that the hearing of this matter is adjourned to Thursday, August 1, 2013 at 10:00 a.m.

A copy of the Order dated May 1, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimmington  
Manager, Public Affairs  
416-593-2361

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

1.4.3 Bunting & Waddington Inc. et al.

FOR IMMEDIATE RELEASE  
May 2, 2013

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

AND

IN THE MATTER OF  
BUNTING & WADDINGTON INC.,  
ARVIND SANMUGAM, JULIE WINGET  
and JENIFER BREKELMANS

**TORONTO** – The Commission issued an Order in the above named matter which provides that the confidential pre-hearing conference be adjourned to July 10, 2013 at 11:00 a.m. to provide the panel with a status update.

A copy of the Order dated April 26, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimmington  
Manager, Public Affairs  
416-593-2361

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

1.4.4 Majestic Supply Co. Inc. et al.

FOR IMMEDIATE RELEASE  
May 6, 2013

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

AND

IN THE MATTER OF  
MAJESTIC SUPPLY CO. INC.,  
SUNCASTLE DEVELOPMENTS CORPORATION,  
HERBERT ADAMS, STEVE BISHOP,  
MARY KRICFALUSI, KEVIN LOMAN and  
CBK ENTERPRISES INC.

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

- (1) the time for counsel for Kevin Loman to file and serve written sanctions submissions dated April 9, 2013 is extended pursuant to Rule 1.6(2) of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "*Rules of Procedure*");
- (2) subject to a party satisfying the panel that there is not good reason for doing so, the remainder of the sanctions hearing will be converted to a written hearing pursuant to Rule 11.5 of the Commission's *Rules of Procedure* on May 8, 2013; and
- (3) the parties will have until May 10, 2013 to serve and file any written submissions or evidence responding to the affidavits of Jeff Thomson sworn April 3 and May 2, 2013, after which the panel will deliberate on its sanctions decision.

A copy of the Order dated May 2, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimmington  
Manager, Public Affairs  
416-593-2361

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

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

**1.4.5 Ontario Securities Commission Policy Hearing  
on Proposed Enforcement Initiatives – OSC  
Staff Notice 15-704 Request for Comments on  
Proposed Enforcement Initiatives**

**FOR IMMEDIATE RELEASE  
May 6, 2013**

**ONTARIO SECURITIES COMMISSION  
POLICY HEARING ON  
PROPOSED ENFORCEMENT INITIATIVES**

**OSC STAFF NOTICE 15-704**

The Ontario Securities Commission will hold a public policy hearing to receive oral submissions from interested parties who submitted written comments in response to OSC Staff Notice 15-704 *Request for Comments on Proposed Enforcement Initiatives*. It is anticipated that the oral submissions will supplement, as opposed to duplicate, the written comments.

The Commission will convene the policy hearing on June 17, 2013, commencing at 10:00 a.m. at the Offices of the Commission, 20 Queen Street West, 22nd Floor, Toronto, Ontario.

A copy of OSC Staff Notice 15-704 and the comment letters submitted in response to the Notice are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For Media Inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
Manager, Public Affairs  
416-593-2361

Aly Vitunski  
Senior Media Relations Specialist  
416-593-8263

Alison Ford  
Media Relations Specialist  
416-593-8307

Follow us on Twitter: [OSC\\_News](#)

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 Redknee Solutions Inc.

##### Headnote

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

##### Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.

April 26, 2013

**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  
REDKNEE SOLUTIONS INC.  
(the Filer)**

**DECISION**

##### Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief pursuant to part 13 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**), from certain requirements in Item 3 of Form 51-102F4 and Section 8.4 of Part 8 of NI 51-102 in respect of a business acquisition report (**BAR**) required to be filed by the Filer in connection with a significant acquisition completed by the Filer on March 30, 2013 (the **Exemption Sought**).

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

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

##### Interpretation

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

## Representations

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

1. The Filer is a corporation formed under the *Canada Business Corporations Act* and has its head office in Ontario.
2. The Filer is a reporting issuer in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and is not in default of its reporting issuer obligations under the securities legislation of any of the jurisdictions of Canada.
3. The Filer's common shares are listed and posted for trading on the Toronto Stock Exchange (**TSX**) under the symbol "RKN".
4. On March 30, 2013, the Filer announced that it had closed its transaction (the **Acquisition**) with Nokia Siemens Networks B.V., the parent company of the Nokia Siemens Networks group comprised of Nokia Siemens Networks B.V. and its subsidiaries (**Nokia Siemens Networks**), to acquire Nokia Siemens Networks' Business Support System business (the **BSS Business**) and other assets (the **Acquired Business**).
5. Nokia Siemens Networks is a joint venture of Nokia Corporation and Siemens AG and its financial year end is December 31.
6. The Filer has concluded that the Acquisition will constitute a significant acquisition. Accordingly, the Filer will be required to file a BAR upon completion of the Acquisition.
7. The Filer, being aware of the requirements under NI 51-102, held discussions with Nokia Siemens Networks involving their respective auditors regarding these requirements and the type of financial disclosure required in order to satisfy its requirements under NI 51-102. In the course of these discussions, Nokia Siemens Networks advised the Filer that it did not treat the BSS Business as a separate and distinct division and, accordingly, it did not prepare or maintain stand-alone financial statements that were specific to the BSS Business or the Acquired for any purpose (i.e., operationally or financially).
8. Nokia Siemens Networks informed the Filer that, in its view, the preparation of the financial statements for the Acquired Business in accordance with the requirements of Section 8.4 of NI 51-102 is impracticable due to the following facts:
  - a. The Acquired Business does not constitute a material portion of Nokia Siemens Networks' business. For the last completed financial year of Nokia Siemens Networks, it is estimated that the Acquired Business accounted for approximately 1.5% of Nokia Siemens Network's consolidated operating revenues and less than approximately 0.2% of its total assets.
  - b. The BSS Business, which constitutes most of the assets being acquired under the Acquisition, is a component of the Customer Experience Management Division of Nokia Siemens Networks, and Nokia Siemens Networks has never accounted for the BSS Business as a separate business and, as such, financial statements for the BSS Business have not been prepared. In addition, the Acquired Business includes certain assets that represent components of other business units (e.g. Policy control) and excludes certain assets that are recorded within the BSS Business but are related to other business units (e.g. GSM-R). As a result, the records are insufficiently detailed to extract information specific to the Acquired Business as would be required to produce the required financial statements.
  - c. Nokia Siemens Networks has also undertaken several financial reporting and operational reorganizations in the past few years which have resulted in Nokia Siemens Networks being unable to access certain historical related financial and operational data as these relate to its different business units, and any allocation to the BSS Business would be extremely arbitrary, as it was not managed or measured as a business unit, but was a component of a business unit. Therefore, allocation of these expenses to the Acquired Business would entail further assumptions that would make the financial statements further unlikely to be indicative of what the Acquired Business would have experienced as a stand-alone company.
  - d. Further, since the Acquired Business was integrated in the overall business and structure of Nokia Siemens Networks, the Acquired Business as well as the BSS Business did not maintain their own and were largely dependent on Nokia Siemens Networks' administrative support functions (such as accounting, treasury, tax, legal, risk management, IT, marketing, pricing, procurement, human resources, etc.). These functions were provided at the corporate level and the related costs were not allocated to the Acquired Business or the BSS Business in the past. To do so now would entail numerous assumptions, a number of which could be highly

arbitrary, with the result that the allocated costs would be unlikely to be indicative of what the Acquired Business would have experienced as a stand-alone company.

- e. Consistent with the foregoing, Nokia Siemens Networks' systems and procedures do not provide sufficient information for the preparation of stand-alone income tax and interest/capital cost provisions for the Acquired Business, nor was this required for internal, regulatory or tax purposes as the BSS Business was not operated as a separate business.
  - f. Nokia Siemens Networks does not maintain separate order forms and/or invoices for the BSS Business or the Acquired Business. Orders and, as a result, customer payments for such orders are commingled between the BSS Business and other parts of Nokia Siemens Networks (i.e., parts which are not being acquired by the Filer as part of the Acquisition). Accordingly, any attempt to construct cash flow statements for the Acquired Business would entail numerous assumptions with respect to opening cash balances and sources and uses of cash for financing and operational purposes that are unlikely to be indicative of what the Acquired Business would have experienced as a stand-alone company. Also, since such documents relate to more than one business line, services, costs and liabilities (such as warranty allocation) related to such agreements have not been previously allocated to the BSS Business or the Acquired Business.
  - g. Nokia Siemens Networks' internal reporting system keeps track of customer accounts through general invoicing codes (**GICs**); however, due to the fact that contracts contain bundled revenue components which in many cases relate to more than one business unit, the GICs include revenues which are shared between different business lines. While Nokia Siemens Networks believes that, with some considerable effort and certain assumptions regarding the GICs, it may segregate those revenues which are generated by the Acquired Business, the same is not true, for example, for accounts payable, accounts receivable, cash and general operating expenses, which are maintained for Nokia Siemens Networks' operations and are not earmarked to the Acquired Business.
  - h. The assumptions required for the Filer to produce the financial statements would by necessity be arbitrary and speculative and undermine the reliability of those statements. Any such allocation would be (i) based on Nokia Siemens Networks' global structure, which will be irrelevant going forward due to the Filer's and Nokia Siemens Networks' differing organizational structure, and (ii) performed at such a high level as to mask the true nature of the Acquired Business being transferred.
  - i. The records are insufficiently detailed to extract information specific to the Acquired Business as would be required to produce the financial statements as set out in NI 51-102 and, in Nokia Siemens Networks' view, it is impracticable to do so. Such statements would be based on numerous assumptions and estimates and would not reflect the true nature of the Acquired Business or be useful to shareholders or investors.
9. Following the Acquisition, the Filer expects to integrate the Acquisition into its existing organization structure which will by necessity have a different cost structure than that within Nokia Siemens Networks.
10. Section 8.4 of NI 51-102 requires that the Filer include in the BAR, the following annual financial statements of the Acquired Business:
- a. a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for (i) the audited annual period ended December 31, 2012; and (ii) the annual period ended December 31, 2011;
  - b. an audited statement of financial position as at December 31, 2012;
  - c. a statement of financial position as at December 31, 2011; and
  - d. notes to the required financial statements.
11. Section 8.4(5) requires that the Filer include:
- a. a *pro forma* statement of financial position of the Filer as at December 31, 2012 that gives effect, as if the Acquisition has taken place as at the date of the pro forma statement of financial position, to the Acquisition; and
  - b. a *pro forma* income statement that gives effect to the Acquisition as if it had taken place on at October 1, 2011 for (i) the annual period ended September 30, 2012; and (ii) the interim period ended December 31, 2012.

12. The Filer proposed to include the following financial statements in the BAR (the **Proposed Financial Statements**):
- a. an audited statement of the assets to be acquired and liabilities to be assumed by the Filer as at December 31, 2012 with an unaudited comparative statement of assets and liabilities as at December 31, 2011 prepared in accordance with IFRS (the **Statement of Assets Acquired and Liabilities Assumed**) that:
    - i. includes all the assets and liabilities acquired;
    - ii. includes a statement that the Statement of Assets Acquired and Liabilities Assumed is prepared using accounting policies that are permitted by IFRS;
    - iii. includes a description of the accounting policies used to prepare the Statement of Assets Acquired and Liabilities Assumed; and
    - iv. includes an auditor's report that reflects the fact that the Statement of Assets Acquired and Liabilities Assumed was prepared in accordance with the basis of presentation disclosed in the notes to the Statement of Assets Acquired and Liabilities Assumed;
  - b. an audited statement of the Acquired Business' direct revenues and expenses for the year ended December 31, 2012 with an unaudited comparative statement of direct revenues and expenses for the year ended December 31, 2011 (the **Statement of Direct Revenues and Expenses**). These statements will be prepared in accordance with IFRS and include revenues generated by the Acquired Business less expenses directly attributable to the Acquired Business and will include notes to the statements outlining the basis of preparation and assumptions used. The notes will include the assumptions used for any allocated costs (e.g. research and development) and the nature of any costs excluded (e.g. accounting, treasury, tax, legal, risk management, IT, marketing, pricing, procurement and human resources). The Statement of Direct Revenues and Expenses will:
    - i. include a statement that the operating statements are prepared using accounting policies that are permitted by IFRS;
    - ii. include a description of the accounting policies used to prepare the operating statements; and
    - iii. include an auditor's report that reflects the fact that the operating statements were prepared in accordance with the basis of presentation disclosed in the notes to the operating statements;
  - c. *pro forma* operating statements for the year ended September 30, 2012, that includes the Filer's income statement for the year ended September 30, 2012 and the Statement of Direct Revenues and Expenses and, if applicable, *pro forma* operating statement that is based on the most recently completed interim period of the Filer ended before the Acquisition closing date; and
  - d. a *pro forma* balance sheet as at the date of the Filer's most recent balance sheet filed that includes the Statement of Assets Acquired and Liabilities Assumed.
13. The Filer submits that the Exemption Sought would not be prejudicial to the public interest because the Proposed Financial Statements will provide investors with the information material to their understanding of the Acquired Business and the Filer believes that the presentation of financial statements prepared strictly in compliance with Section 8.4 of NI 51-102 would not be more meaningful or relevant to investors than the Proposed Financial Statements, and would potentially be misleading.

### Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the Filer includes in the BAR the following financial statements required to be filed by the Filer in connection with a significant acquisition completed by the Filer on March 30, 2013:

- a. an audited statement of the assets to be acquired and liabilities to be assumed by the Filer as at December 31, 2012 with an unaudited comparative statement of assets and liabilities as at December 31, 2011 prepared in accordance with IFRS (the **Statement of Assets Acquired and Liabilities Assumed**) that:

- i. includes all the assets and liabilities acquired;
  - ii. includes a statement that the Statement of Assets Acquired and Liabilities Assumed is prepared using accounting policies that are permitted by IFRS;
  - iii. includes a description of the accounting policies used to prepare the Statement of Assets Acquired and Liabilities Assumed; and
  - iv. includes an auditor's report that reflects the fact that the Statement of Assets Acquired and Liabilities Assumed was prepared in accordance with the basis of presentation disclosed in the notes to the Statement of Assets Acquired and Liabilities Assumed;
- b. an audited statement of the Acquired Business' direct revenues and expenses for the year ended December 31, 2012 with an unaudited comparative statement of direct revenues and expenses for the year ended December 31, 2011 (the **Statement of Direct Revenues and Expenses**). These statements will be prepared in accordance with IFRS and include revenues generated by the Acquired Business less expenses directly attributable to the Acquired Business and will include notes to the statements outlining the basis of preparation and assumptions used. The notes will include the assumptions used for any allocated costs (e.g. research and development) and the nature of any costs excluded (e.g. accounting, treasury, tax, legal, risk management, IT, marketing, pricing, procurement and human resources). The Statement of Direct Revenues and Expenses will:
- i. include a statement that the operating statements are prepared using accounting policies that are permitted by IFRS;
  - ii. include a description of the accounting policies used to prepare the operating statements; and
  - iii. include an auditor's report that reflects the fact that the operating statements were prepared in accordance with the basis of presentation disclosed in the notes to the operating statements;
- c. *pro forma* operating statements for the year ended September 30, 2012 , that includes the Filer's income statement for the year ended September 30, 2012 and the Statement of Direct Revenues and Expenses and, if applicable, *pro forma* operating statement that is based on the most recently completed interim period of the Filer ended before the Acquisition closing date; and
- d. a *pro forma* balance sheet as at the date of the Filer's most recent balance sheet filed that includes the Statement of Assets Acquired and Liabilities Assumed.

"Sonny Randhawa"  
Manager  
Corporate Finance

**2.1.2 Ratel Group Limited – s. 1(10)(a)(ii)**

**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).

April 30, 2013

Ratel Group Limited  
BGC Centre, Level 5  
28 The Esplanade  
Perth, Western Australia 6000

Dear Sirs/Mesdames:

**Re: Ratel Group Limited (the Applicant) – application for a decision under the securities legislation of Alberta and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer**

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, “securityholder” means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, 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;
- (b) no securities of the Applicant, 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;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and
- (d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

“Lisa Enright”  
Manager, Corporate Finance  
Ontario Securities Commission

### 2.1.3 Sundance Minerals Ltd.

#### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

#### Ontario Statutes

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

April 29, 2013

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

**AND**

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

**AND**

**IN THE MATTER OF  
SUNDANCE MINERALS LTD.  
(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) that the Filer be deemed to cease to be reporting issuer in the Jurisdictions (the Exemptive Relief Sought).

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

- (a) the British Columbia Securities Commission is the principal regulator for this application; and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

#### Interpretation

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

#### Representations

- 3 This decision is based on the following facts represented by the Filer:
- 1. the Filer is a corporation that was incorporated on April 25, 2007 under the *Canada Business Corporations Act*;
  - 2. the head office of the Filer is located at Suite 501, 543 Granville Street, Vancouver, British, Columbia V6C 1X8;
  - 3. the Filer is a reporting issuer in each of the Jurisdictions;

## Decisions, Orders and Rulings

---

4. the Filer became a reporting issuer on May 14, 2012 when it obtained a receipt for a final prospectus filed in the Jurisdictions (the Prospectus);
5. as announced in the Filer's news release dated September 14, 2012, market conditions did not permit the Filer to complete its initial public offering;
6. no securities of the Filer have been, or will be, distributed under the Prospectus, and the Filer has no current intention to seek financing by way of public offering;
7. no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
8. the Filer is not in default of any of its obligations under the Legislation, except for, with respect to the reports of exempt distribution filed on April 16, 2013, the requirement to file such reports no later than ten days after the relevant distributions;
9. the Filer is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares in series, of which there are currently 26,600,345 common shares issued and outstanding and no preferred shares issued and outstanding; the Filer also has 4,681,406 common share purchase warrants outstanding and 1,420,000 options outstanding;
10. the outstanding securities of the Filer are beneficially owned by 123 securityholders, including 55 securityholders in British Columbia, six securityholders in Ontario and three securityholders in Alberta; of these securityholders, 24 are directors, officers, employees or consultants (or employees of a consultant) of the Filer;
11. only five of the Filer's current securityholders were not securityholders prior to the filing of the Prospectus, and no trading of the Filer's securities has occurred since it filed the Prospectus, other than
  - (a) on July 28, 2012, the distribution of 1,616,251 common shares and 808,125 warrants upon the exercise of previously issued warrants;
  - (b) on September 10, 2012, the distribution (under a private placement) of 1,550,000 units at a price of \$0.20 per unit, each unit consisting of one common share and one warrant; and
  - (c) on November 28, 2012, the distribution (in settlement of debt) of 873,281 units at a price of \$0.20 per unit, each unit consisting of one common share and one warrant;
12. except as provided for in paragraph 11 above, to the knowledge of the Filer, no trading of its securities has occurred since it filed the Prospectus; and
13. the Filer issued a news release on April 4, 2013 announcing that it had filed an application in the Jurisdictions for a decision that it is not a reporting issuer.

### 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 Exemptive Relief Sought is granted.

"Peter Brady"  
Director, Corporate Finance  
British Columbia Securities Commission



**2.1.4 Wecast Industries Inc.**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for a decision that an issuer is not a reporting issuer under applicable securities laws – Requested relief granted.

**Applicable Legislative Provisions**

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

**May 1, 2013**

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA, BRITISH COLUMBIA, MANITOBA,  
NEW BRUNSWICK, NEWFOUNDLAND AND  
LABRADOR, NOVA SCOTIA, ONTARIO, PRINCE  
EDWARD ISLAND, QUÉBEC, AND SASKATCHEWAN  
(THE “JURISDICTIONS”)**

**AND**

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

**AND**

**IN THE MATTER OF  
WECASIT INDUSTRIES INC.  
(THE “FILER”)**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (the “**Decision Maker**”) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) that the Filer is not a reporting issuer (the “**Exemptive Relief Sought**”).

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

1. the Ontario Securities Commission is the principal regulator for this application, and
2. the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

**Interpretation**

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

**Representations**

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

1. The Filer is a corporation governed by the *Business Corporations Act* (Ontario) with its registered address at 150 Savannah Oaks Drive, Brantford, Ontario, N3T 5V7.
2. The Filer is a reporting issuer in each of the Jurisdictions.
3. The Filer is applying for a decision that it is not a reporting issuer in all of the Jurisdictions in which it is currently a reporting issuer.
4. Pursuant to a plan of arrangement under the *Business Corporations Act* (Ontario) (the “**Plan of Arrangement**”) completed on March 27, 2013 (the “**Arrangement**”) involving the Filer, Sichuan Bohong Industry Co., Ltd. (“**Bohong**”) and Taixing International Investment Limited (“**AcquisitionCo**”), a wholly-owned subsidiary of Bohong, AcquisitionCo acquired ownership of all of the issued and outstanding capital of the Filer.
5. Pursuant to the Arrangement, all the Class B Common Shares (the “**Class B Shares**”) in the capital of the Filer were converted into Class A Subordinate Voting Shares (the “**Class A Shares**”, and collectively with the Class B Shares, the “**Shares**”) in the capital of the Filer (the “**Converted Shares**”). Other than Class A Shares held by certain corporations (“**HoldCos**”) meeting the conditions contained in the arrangement agreement between the Filer, Bohong and AcquisitionCo, all Class A Shares (including the Converted Shares, as applicable) were transferred by the shareholders of the Filer to AcquisitionCo in exchange for an all cash purchase price of \$11.00 per share (the “**Consideration**”). Pursuant to the Arrangement, all shares in the capital of the HoldCos were transferred by the shareholders of the HoldCos to AcquisitionCo in exchange for a cash payment equal to the product of the Consideration and the number of Class A Shares (including the Converted Shares, as applicable) beneficially owned by the HoldCos.
6. In addition, under the terms of the Plan of Arrangement, each option of the Filer outstanding immediately prior to the effective time of the Arrangement was transferred to the Filer in consideration for a cash payment by or on behalf of the Filer equal to the amount, if any, by which (i) (a) the Consideration multiplied by (b) the number of the Shares issuable upon the exercise of such options exceeded (ii) the applicable aggregate exercise price in respect of such options. All options so transferred to the Filer were immediately cancelled.

7. Under the terms of the Plan of Arrangement, the Filer made a payment in an amount equal to the Consideration for each unit granted under the Filer's Deferred Stock Unit Plan (each a "DSU") to each holder of DSUs and all outstanding DSUs were immediately cancelled.
8. The Filer disclosed in the management information circular with respect to the special meeting held on February 21, 2013 to approve the Arrangement that the Filer will seek to be deemed to cease to be a reporting issuer under securities legislation of the Jurisdictions following the effective date of the Arrangement. The Arrangement was approved by 99.98% of the total votes cast by all shareholders voting as one class and 100% of the votes cast by holders of Class B Shares who voted at the special meeting.
9. As a result of the Arrangement, the only securityholders of the Filer are AcquisitionCo, a wholly-owned subsidiary of Bohong, HoldCos, which are wholly-owned subsidiaries of AcquisitionCo and (in respect of intercompany promissory notes) Bohong.
10. 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.
11. Other than the Class A Shares held by the AcquisitionCo and the HoldCos and intercompany promissory notes made between the Filer, Bohong and AcquisitionCo, the Filer has no other securities outstanding, including debt securities and convertible securities.
12. The Class A Shares of the Filer were delisted from the Toronto Stock Exchange as at the close of business on March 28, 2013.
13. None of the Filer's securities, 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.
14. The Filer, upon the grant of the Exemptive Relief Sought, will no longer be a reporting issuer in any jurisdiction in Canada.
15. The Filer did not voluntarily surrender its status as a reporting issuer in British Columbia pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because it wanted to avoid the 10-day waiting period under that Instrument.
16. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer other than its obligation to file its annual financial statements, annual management discussion and analysis, annual information form and CEO and CFO certificates (the "Filings"), all of which became due on April 1, 2013. As the Plan of Arrangement resulted in AcquisitionCo, Bohong and HoldCos becoming the only securityholders of the Filer prior to the date on which the Filings were due, the Filings were not prepared nor filed as required under the Legislation.
17. The Filer is not eligible to use the simplified procedure under CSA Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is in default of its obligation to file the Filings and because it is a reporting issuer in British Columbia.
18. The Filer has no plans to seek public financing by an offering of its securities in Canada.

**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.

"Vern Krishna"  
Commissioner  
Ontario Securities Commission

"James D. Carnwath"  
Commissioner  
Ontario Securities Commission

**2.1.5 Aston Hill Asset Management Inc. and Aston Hill Global Resource & Infrastructure Fund**

**Headnote**

National Policy 11-203 – Process for Exemptive Relief Decisions in Multiple Jurisdictions – Relief from certain new mutual fund start-up requirements in NI 81-102 granted to a non-redeemable investment fund converting into a mutual fund – relief from seed capital requirement and from prohibition against fund bearing the costs of preparation and filing of its initial simplified prospectus, annual information form, and fund facts – the fund is an existing fund and will have assets well in excess of \$500000 upon its securities becoming available for sale as a conventional mutual fund.

**Applicable Legislative Provisions**

National Instrument 81-102 Mutual Funds, ss. 3.1, 3.3, 19.1.

May 2, 2013

**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  
ASTON HILL ASSET MANAGEMENT INC.  
(the Filer)**

**AND**

**ASTON HILL GLOBAL RESOURCE &  
INFRASTRUCTURE FUND**

**(the Fund)**

**DECISION**

**Background**

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

- (a) section 3.1 of National Instrument 81-102 *Mutual Funds (NI 81-102)* to permit the Fund to rely on its existing net assets as its seed capital; and
- (b) section 3.3 of NI 81-102 to permit the Fund to bear the costs of the preparation and filing of its

first simplified prospectus, annual information form and fund facts,

(collectively, the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (a) the Ontario Securities Commission is the principal regulator for the 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, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador, Northwest Territories, Yukon and Nunavut (the **Passport Jurisdictions** and together with the Jurisdiction, the **Jurisdictions**).

**Interpretation**

Terms defined in MI 11-102, National Instrument 14-101 *Definitions* and NI 81-102 have the same meaning if used in this decision, unless otherwise defined.

**Representations**

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

- 1. The Filer is a corporation amalgamated under the laws of the Province of Ontario with its head office located in Toronto, Ontario. The Filer is registered under the securities legislation of Ontario as an investment fund manager, portfolio manager and exempt market dealer.
- 2. The Fund is:
  - (a) a mutual fund trust governed by a master declaration of trust under the laws of the Province of Ontario of which the Manager is the trustee; and
  - (b) a reporting issuer under the securities legislation of Province of Canada.
- 3. Neither the Filer nor the Fund is in default of securities legislation in Canada.
- 4. The Fund has been carrying on operations since 2007. Prior to March 21, 2013, the Fund was a non-redeemable investment fund. On March 8, 2013, the unitholders of the Fund approved a reorganization of the Fund (the **Reorganization**) that included, among other matters, converting the Fund to a mutual fund. The Reorganization was completed on March 21, 2013. The Filer believes the Reorganization was in the best interests of unitholders of the Fund as it provides unitholders

with enhanced liquidity and an opportunity for the Fund to raise additional capital.

5. The Fund has filed a preliminary simplified prospectus, annual information form and fund facts dated April 8, 2013 (collectively, the **Prospectus**) in order to qualify units of the Fund for sale to the public in all the provinces and territories of Canada. The final version of the Prospectus will constitute the first simplified prospectus filed by the Fund under National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.
6. As of April 5, 2013, the net asset value of the Fund was approximately \$34 million. The Manager expects the net asset value of the Fund to be above \$500,000 when units of the Fund become available for sale under the final version of the Prospectus.
7. Granting the Exemption Sought will not cause prejudice to investors because the Fund has been in existence since 2007 and has sufficient assets to continue its operations. The Fund also has sufficient assets to pay the costs of its first simplified prospectus filing.

#### Decision

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

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

“Raymond Chan”  
Manager, Investment Funds  
Ontario Securities Commission

#### 2.1.6 LOREX Technology Inc.

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer under applicable securities laws – 15 beneficial securityholders in Ontario – requested relief granted – section 1(10)(a)(ii) of the Securities Act (Ontario).

##### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).  
CSA Staff Notice 12-307 Applications for a Decision that an Issuer is not a Reporting Issuer.

April 30, 2013

**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  
LOREX Technology Inc.  
(the "Filer")**

**DECISION**

#### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the Filer is deemed to have ceased to be a reporting issuer (the "**Exemptive Relief Sought**").

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

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

#### Interpretation

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

- (a) The Filer is a corporation governed by the *Business Corporations Act* (Ontario) with its registered address located at 250 Royal Crest Court, Markham Ontario L3R 3S1.
- (b) The Filer is a reporting issuer in the provinces of Alberta and Ontario.
- (c) The Filer's authorized share capital consists of an unlimited number of common shares ("**Shares**").
- (d) No securities of the Filer are listed on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* ("**NI 21-101**") or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
- (e) FLIR Systems, Inc. ("**FLIR**") is a thermal imaging company incorporated pursuant to the laws of Ontario and is not a reporting issuer in any province in Canada. The common shares of FLIR are not listed on any exchange in Canada or world market.
- (f) On October 24, 2012, pursuant to an arrangement agreement entered into between the Filer and FLIR (the "**Agreement**"), FLIR agreed, through a court ordered plan of arrangement (the "**Arrangement**"), to acquire all of the issued and outstanding Shares. Pursuant to the Agreement, FLIR agreed to pay C\$1.30 per one common share of the Applicant.
- (g) Prior to consummation of the transactions described above, the Shares were listed for trading on the TSXV under the symbol "LOX".
- (h) Other than as described above, the Filer has no other securities issued and outstanding.
- (i) On December 20, 2012, an application was made to delist the Shares from the TSXV. Such Shares were delisted on the close of business on December 27, 2012.
- (j) The Filer has no intention to seek public financing by way of an offering of securities.
- (k) The Filer is applying for relief to cease to be a reporting issuer in all jurisdictions of Canada in which it is currently a reporting issuer.
- (l) The Filer is not in default of any requirement of the securities legislation in any of the Jurisdictions except for the obligation to file its annual financial statements for the period ended September 30, 2012 and its management discussion and analysis in respect of such financial statements, as required under National Instrument 51-102, *Continuous Disclosure Obligations* and the related certification of such financial statements as required under Multilateral Instrument 52-109 – *Certification of Disclosure in Filers' Annual and Interim Filings*, all of which became due on January 28, 2013.
- (m) All of the Shares are owned by FLIR.
- (n) All outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada.
- (o) The Filer, upon the grant of the Exemptive Relief Sought, will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.
- (p) The Filer has filed a notice with the British Columbia Securities Commission under BC Instrument 11-502 – Voluntary Surrender of Reporting Issuer Status and the Filer has been notified that its non-reporting status in British Columbia is effective as of January 18, 2013.

**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.

"Edward P. Kerwin"  
Commissioner  
Ontario Securities Commission

"Anne Marie Ryan"  
Commissioner  
Ontario Securities Commission

2.1.7 Edgehill Partners

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from conflict of interest provisions in s. 13.5 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Obligations to allow pooled funds to invest in securities of underlying funds with the same portfolio adviser without prior written consent of investors – top feeder fund invests substantially all of its assets in one underlying master fund as part of a “clone” structure – feeder fund is sole securityholder of underlying master fund – underlying master fund then invests in other pooled funds – relief subject to certain conditions

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(a), 15.1.

April 26, 2013

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  
EDGEHILL PARTNERS (the Filer)

AND

IN THE MATTER OF THE TOP FUNDS  
(as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of each of the Filer, EdgeHill Multi Strategy Fund, Ltd. (the **Initial Feeder Fund**) and any other investment fund which is not a reporting issuer under the *Securities Act* (Ontario) (the **Act**) established or managed by the Filer after the date hereof (collectively, the **Future Feeder Funds** and, together with the Initial Feeder Fund, the **Feeder Funds**), EdgeHill Multi Strategy Master Fund, Ltd. (the **Initial Top Fund**) and any other investment fund which is not a reporting issuer under the Act established, advised or managed by the Filer after the date hereof (the **Future Top Funds** and, together with the Initial Top Fund, the **Top Funds**) for a decision under

the securities legislation of Ontario (the **Legislation**), exempting the Filer with respect to each of the Top Funds that invests its assets in EdgeHill Quantitative Proprietary Strategies Master Fund, Ltd. (the **Initial Underlying Master Fund**) and any other investment fund which is not a reporting issuer under the Act established, advised or managed by the Filer after the date hereof (the **Future Underlying Funds** and, together with the Initial Underlying Master Fund, the **Underlying Funds**), from the restriction in sub-clause 13.5(2)(a)(ii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) that prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase securities of an issuer in which a responsible person or an associate of the responsible person is a partner, officer or director unless the written consent of the client to the purchase is obtained before the purchase (the **Requested Relief**).

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

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

Representations

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

1. The Filer is a general partnership formed under the laws of the Province of Ontario with its head office located in Toronto, Ontario.
2. The Filer is registered with the Ontario Securities Commission as an investment fund manager under the Act. It is also registered as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer under the Act and applicable securities legislation in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick and Newfoundland and Labrador.
3. The Filer is not a reporting issuer in any jurisdiction of Canada and is not in default of securities legislation of any jurisdiction of Canada.

*The Initial Feeder Fund*

4. The Initial Feeder Fund is a mutual fund for the purposes of the Act.
5. The Initial Feeder Fund is an exempted company incorporated with limited liability as an open-

- ended investment fund under the laws of the Cayman Islands.
6. The investment objective of the Initial Feeder Fund is to generate superior risk adjusted investment returns over the long term by providing investors with exposure to a multi-strategy approach consisting of diversified investments. The Initial Feeder Fund will also seek to preserve capital and mitigate risk through the application of both portfolio and risk management tools.
  7. The Initial Feeder Fund seeks to achieve its investment objective by investing all or substantially all of its assets in securities of the Initial Top Fund.
  8. The Filer does not act as the investment adviser to the Initial Feeder Fund but does provide certain investment fund management and certain dealer services to the Initial Feeder Fund.
  9. The securities of the Initial Feeder Fund are sold to offshore investors on a private placement basis and to investors resident in the provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick and Newfoundland and Labrador pursuant to available prospectus exemptions in accordance with National Instrument 45-106 – *Prospectus and Registration Exemptions (NI 45-106)*.
  10. The Initial Feeder Fund is not a reporting issuer under the Act and is not in default of securities legislation of any jurisdiction of Canada. No Future Feeder Fund will be a reporting issuer under the Act.
  11. All Future Feeder Funds will have a similar structure as the Initial Feeder Fund and each Future Feeder Fund will invest all or substantially all of its assets in a Top Fund.

#### *The Top Funds*

12. Each of the Top Funds is, or will be, a mutual fund for the purposes of the Act.
13. The Initial Top Fund is an exempted company incorporated with limited liability under the laws of the Cayman Islands.
14. Securities of the Initial Top Fund are not, and will not be, offered in Canada.
15. The Initial Top Fund's investment objective is to generate superior risk adjusted investment returns over the long term by utilizing a multi-strategy approach consisting of diversified investments. The Initial Top Fund will also seek to preserve capital and mitigate risk through the application of both portfolio and risk management tools.

16. In order to achieve its objective, the Initial Top Fund actively allocates and re-allocates capital over multiple investment strategies based upon the Filer's opinion of the position of the market cycle. The Filer believes that this approach will allow for timely capital allocation decisions on behalf of the Initial Top Fund.
17. Pursuant to an investment advisory and management agreement (the **Top Fund Investment Management Agreement**), the Filer is the manager and investment adviser of the Initial Top Fund and will be the manager and investment adviser of the Future Top Funds and is, or will be, responsible for managing the assets of the Top Funds and has, or will have, complete discretion to invest and reinvest the Top Funds' assets, and is, or will be, responsible for executing all portfolio transactions in respect of the Top Funds.
18. The Initial Top Fund is not a reporting issuer under the Act and is not in default of securities legislation of any jurisdiction of Canada. None of the Future Top Funds will be a reporting issuer under the Act.
19. The Initial Feeder Fund is the sole securityholder of the Initial Top Fund. Each Future Top Fund will also have a Feeder Fund as its sole securityholder.

#### *The Underlying Funds*

20. The Initial Underlying Master Fund will be an exempted company incorporated with limited liability under the laws of the Cayman Islands.
21. Securities of the Initial Underlying Master Fund will not be offered in Canada.
22. The investment objective of the Initial Underlying Master Fund is to generate superior risk-adjusted investment returns over the long term by utilizing a multi-strategy approach consisting of diversified quantitative and systematic investment strategies.
23. In order to achieve its objective, the Initial Underlying Master Fund will actively allocate capital over multiple investment strategies predominantly based upon researched, repeatable and process-driven methodologies. The Filer believes that this approach will allow for timely capital allocation decisions on behalf of the Initial Underlying Master Fund.
24. Each investment strategy and all future strategies employed by the Initial Underlying Master Fund will be operated with the objective of providing diverse sources of return. Each investment strategy will generally be supported by quantitative analysis, which may include macro-economic, fundamental and systematic analysis.

25. The Initial Underlying Master Fund will invest in a variety of securities including, but not limited to, equities, corporate bonds, high yield securities, convertible bonds, trust units, preferred shares, currencies, commodities, financial futures, warrants and options. The Initial Underlying Master Fund may also invest in other financial instruments that may be either listed on recognized stock exchanges or unlisted. The Initial Underlying Master Fund may employ leverage and short selling to enhance investment returns and use other financial instruments including cash, short positions, options, futures, swaps and other derivative instruments in order to enhance returns and/or mitigate risk to achieve an optimal risk/return profile.
26. Each of the Underlying Funds will be a mutual fund for the purposes of the Act.
27. The investments held by the Underlying Funds are considered to be liquid.
28. Each of the Underlying Funds will have separate investment objectives, strategies and/or restrictions.
29. Pursuant to an investment advisory and management agreement (the **Underlying Master Fund Investment Management Agreement**), the Filer will act as the manager and investment adviser of the Initial Underlying Master Fund and will be the manager and investment adviser of the Future Underlying Funds and will be responsible for managing the assets of the Underlying Funds and will have complete discretion to invest and reinvest the Underlying Funds' assets, and is, or will be, responsible for executing all portfolio transactions in respect of the Underlying Funds.
30. The Initial Underlying Master Fund will not be a reporting issuer under the Act. None of the Future Underlying Funds will be a reporting issuer under the Act.
31. The Top Funds allow investors in the Feeder Funds to obtain exposure to the investment portfolios of the Underlying Funds and their respective investment strategies primarily through direct investments by the Top Funds in securities of the Underlying Funds (the **Fund-on-Fund Structure**).
32. Investing in the Underlying Funds will allow the Top Funds to achieve their investment objectives in a cost efficient manner and will not be detrimental to the interests of other securityholders of the Underlying Funds.
33. An investment by a Top Fund in an Underlying Fund can provide greater diversification for a Top Fund in particular asset classes on a basis which is not materially more expensive than investing directly in the securities held by the applicable Underlying Fund.
34. An investment by a Top Fund in an Underlying Fund is, or will be, compatible with the investment objectives of the Top Fund.
35. The Filer is entitled to receive monthly management fees, payable in arrears, and performance fees with respect to the Initial Top Fund and the Initial Underlying Master Fund.
36. The Filer will ensure that the arrangements between or in respect of a Feeder Fund, a Top Fund and an Underlying Fund in respect of an investment pursuant to the Fund-on-Fund Structure avoid the duplication of management fees and incentive fees. The Filer and its affiliates do not charge, and will not charge, any management fee or incentive fee to the Feeder Funds or Top Funds.
37. There will be no sales fees or redemption fees payable by a Feeder Fund or a Top Fund in respect of an acquisition, disposition or redemption of securities of an Underlying Fund by the Top Fund.
38. Prior to the time of purchase of securities of a Top Fund, an investor in a Feeder Fund will be provided with an offering memorandum of the Feeder Fund which contains disclosure about the relationships and potential conflicts of interest between the Feeder Fund, the Top Fund and the Underlying Funds.
39. The offering memorandum of each Feeder Fund will describe the Top Funds' intent, or ability, to invest in securities of the Underlying Funds and that the Underlying Funds are also managed and/or advised by the Filer.
40. The securityholders of a Feeder Fund will receive, on request, a copy of the offering memorandum or other similar document, if available, and the audited financial statements and interim financial statements of the Top Fund or Underlying Fund in which the Top Fund invests.
41. The Filer will not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the securityholders of any Underlying Fund, unless the Top Fund is the sole owner of the securities of the Underlying Fund at the time of the meeting or the effective date of the resolution, in which case the Filer will arrange for all the securities the Top Fund holds of the Underlying Fund to be voted by the beneficial holders of securities of the applicable Feeder Fund.

*Fund-on-Fund Structure*



42. Each of the Feeder Fund, the Top Fund and the Underlying Fund have matching valuation dates and are valued on a monthly basis.
43. Securities of each of the Feeder Fund, the Top Fund and the Underlying Fund can be redeemed on any valuation date.
44. No Underlying Fund will also be a Feeder Fund or Top Fund.
45. No Top Fund will invest more than 10% of its net assets in securities of a single Underlying Fund as measured at the time of purchase.

*Generally*

46. Since the Top Funds do not offer their securities under a simplified prospectus, they are not subject to National Instrument 81-102 and therefore the Top Funds are unable to rely upon the exemption codified under sub-section 2.5(7) of NI 81-102.
47. In the absence of the Requested Relief, each of the Top Funds would be precluded from investing in an Underlying Fund, unless the consent of each investor in the Top Fund is obtained, since the Filer or, an officer and/or director of the Filer (considered a responsible person within the meaning of the applicable provisions of NI 31-103) may also be an officer and/or director of, or may perform a similar function for or occupy a similar position with, the Underlying Fund.
48. The Fund-on-Fund Structure does not result in any material increase in fees or expenses to investors in the Feeder Funds and there are also no sales or redemption charges applicable to the transactions.
49. Investments in the Underlying Funds should not result in a decrease of diversification of investment exposure for investors in the Top Funds as the Underlying Funds will be appropriately diversified. Investing the assets of the Top Funds in the Underlying Funds will enable the Filer to achieve greater portfolio diversification in the assets of the Top Funds than investing directly in a portfolio of securities.
50. The Fund-on-Fund Structure permits the Top Funds and the Underlying Funds to rely on the favourable interpretive rules in section 115.2 of the *Income Tax Act* (Canada)
51. A Top Fund's investments in the Underlying Funds represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the investment funds concerned.

**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, provided that the Filer ensures that:

- (a) securities of the Feeder Funds are distributed in Canada solely pursuant to exemptions from the prospectus requirements in NI 45-106;
- (b) the investment by a Top Fund in an Underlying Fund is compatible with the fundamental objectives of the Top Fund;
- (c) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Fund for the same service;
- (d) no sales fees or redemption fees are payable by the Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund other than brokerage fees incurred on the purchase or disposition of securities of an Underlying Fund that are purchased or disposed of in the secondary market;
- (e) no Top Fund will invest in an Underlying Fund unless the Underlying Fund invests less than 10% of its net assets in mutual funds other than mutual funds that are "money market funds" (as defined by NI 81-102) or mutual funds that issue "index participation units" (as defined by NI 81-102);
- (f) the Filer does not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the securityholders of any Underlying Fund, unless the Top Fund is the sole owner of the securities of the Underlying Fund at the time of the meeting or the effective date of the resolution, in which case the Filer will arrange for all the securities the Top Fund holds of the Underlying Fund to be voted by the beneficial holders of securities of the applicable Feeder Fund;
- (g) the Filer will provide to investors in a Feeder Fund the offering memorandum (or other similar document) of the Feeder Fund, which discloses:
- (i) that the Top Fund may purchase units of the Underlying Funds;
- (ii) the fact that the Underlying Funds are also managed and/or advised by the Filer;

- (iii) the approximate percentage of net assets of the Top Fund that is intended to be invested in securities of the Underlying Fund; and
  - (iv) the process or criteria used to select the Underlying Fund;
- (h) the Filer provides written disclosure in the next regular written communication made after the date of this decision to existing investors in the Initial Feeder Fund, of the following:
- (i) that the Initial Top Fund may purchase shares of the Initial Underlying Feeder Fund;
  - (ii) the fact that the Underlying Funds are also managed and/or advised by the Filer;
  - (iii) the approximate percentage of net assets of the Initial Top Fund that is intended to be invested in securities of the Initial Underlying Feeder Fund; and
  - (iv) the process or criteria used to select the Underlying Funds.

“Darren McKall”  
Manager, Investment Funds Branch  
Ontario Securities Commission

## 2.1.8 National Bank Trust Inc.

### Headnote

The conflicts of interest that are potentially generated by dual registration are considered significant by the CSA. As part of the review of each individual's fitness for registration, the CSA considers all of the individual's employment activities, including outside business activities, with one or more registered firms in any jurisdiction of Canada. Pursuant to paragraph 4.1(1)(b) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations a registered firm must not permit an individual to act as an advising or associate advising representative of the registered firm if the individual is registered as an advising or associate advising representative of another registered firm. The legislative intent of this dual registration prohibition is to put the onus on firms, which often operate in multiple jurisdictions, to bring to the regulators' attention circumstances where conflicts of interest are potentially generated by dual registration. The Filers are affiliated entities and have valid business reasons for the individuals to be registered with both firms. The Filers have policies in place to handle potential conflicts of interest. The Filers are exempted from the prohibition for current and future dealing representatives.

### Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.  
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 15.1.

May 2, 2013

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

AND

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

AND

**IN THE MATTER OF  
NATIONAL BANK TRUST INC.  
(the Filer or NBT)**

**DECISION**

### Background

The securities regulatory authority or regulator in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for relief from the requirement in section 4.1(1)(b) of National Instrument 31-

103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*, so as to permit current and future registered advising and associate advising representatives (**Representatives**) to act as advising and associate advising representatives of the Filer if such representatives are also registered as representatives of Natcan Trust Company (**NTC** and, collectively with the Filer, the **National Bank Entities**) (the **Dual Registration**), in connection with the offering by the National Bank Entities of their "Private Investment Management" service (**PIM**) to clients (the **Exemption Sought**).

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

- (a) the Autorité des marchés financiers is the principal regulator for this application; 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 by NBT in New Brunswick, Newfoundland and Labrador, Prince Edward Island and Saskatchewan (collectively with Québec and Ontario, the **Filing Jurisdictions**)

This decision is being provided concurrently and in conjunction with a decision granting relief to NTC by the securities regulator in Alberta, set out in 2013 ABASC 126 (the **Alberta Decision**).

#### Interpretation

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

#### Representations

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

- 1. NBT is a subsisting company under *An Act respecting trust companies and savings companies* (Québec) and is also a wholly-owned subsidiary of National Bank of Canada (**National Bank**). NBT is registered as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan. In Québec, Ontario and Newfoundland and Labrador, NBT is also registered as an investment fund manager.
- 2. NTC is a subsisting company under the *Trust and Loan Companies Act* (Canada) and a wholly-owned subsidiary of National Bank. NTC is registered as an adviser in the category of portfolio manager in Alberta, British Columbia, Manitoba and Nova Scotia. In Ontario and

Newfoundland and Labrador, NTC is exempt from registration as a portfolio manager.

- 3. The National Bank Entities are not in default of any requirement of securities legislation in any Canadian jurisdiction.
- 4. For various business and other reasons, National Bank has historically caused, and continues to require the PIM business to be conducted through the National Bank Entities. In Saskatchewan, Québec, New Brunswick and Prince Edward Island (the **NBT Jurisdictions**), PIM is offered through NBT. In British Columbia, Alberta, Manitoba, Ontario, Nova Scotia and Newfoundland and Labrador (the **NTC Jurisdictions**), PIM is offered through NTC.
- 5. The National Bank Entities carry on the PIM business with the same employees and under the trade name "**National Bank Trust**". It is on the basis of this trade name that clients deal with the National Bank Entities.
- 6. PIM is a discretionary portfolio management service provided by the National Bank Entities to affluent clients. The National Bank Entities manage client portfolios primarily by means of private mutual funds whose securities have been subscribed for by NBT alone for the wholly-managed accounts of clients (the **NBT Pooled Funds**). The National Bank Entities act as portfolio managers, and NBT acts as investment fund manager, trustee and custodian, for the NBT Pooled Funds.
- 7. The National Bank Entities conduct the PIM business under a single set of account opening form and related documents. In these documents, clients are informed that if they are residents of any of the NBT Jurisdictions, their portfolio manager will be NBT, whereas if they are residents of any of the NTC Jurisdictions, NTC will be their portfolio manager and that Representatives could therefore be dually registered with NBT and NTC.
- 8. Consistent with the foregoing, the National Bank Entities have established one fully harmonized compliance team and structure that oversees the operations and activities of both National Bank Entities in connection with the PIM business.
- 9. In connection with paragraph 8 above:
  - a. the National Bank Entities share the same senior management structure with the same individual acting as President and Chief Executive Officer (**CEO**), who reports to the Executive Vice President, Wealth Management of National Bank Financial Group and has final authority to effect decisions in respect of each of the

- National Bank Entities. Also, the National Bank Entities share the same Chief Compliance Officer (CCO), who has access to the CEO;
- b. the CCO heads an integrated compliance department which serves both National Bank Entities and supervises all portfolio management activities of the National Bank Entities, regardless of whether such activity is conducted through NBT or NTC;
  - c. the compliance structure for the National Bank Entities has been designed to ensure that all activities conducted by them are supervised according to the requirements established by all applicable regulatory bodies, regardless of which of the National Bank Entities is conducting the portfolio management activity; and
  - d. the National Bank Entities have entered into, and renew on a yearly basis, a service agreement whereby they agree to provide each other with administrative, operational, trust and portfolio management services, which cover all products and services, present and future, offered to all clients of the National Bank Entities in compliance with their constituting acts and the laws applicable to their activities, products and services, including PIM.
10. The compliance structure for the National Bank Entities has been in place for a significant period of time and, accordingly, the persons responsible for compliance for the National Bank Entities are sensitive to, and organized to effectively monitor and address, the respective compliance obligations of the National Bank Entities relating to the PIM business.
11. The Representatives are, or will be, under the direct supervision and control of both National Bank Entities and they are, or will be, subject to all securities-related conflicts of interest policies and procedures of the National Bank Entities.
12. In addition to the reasons provided in paragraphs 5 and 7, Dual Registration will not be a source of any client confusion because:
- a. PIM is only offered to investors resident in the NTC Jurisdictions by NTC, while PIM is only offered to investors resident in the NBT Jurisdictions by NBT;
  - b. the Representatives will have sufficient time to adequately serve each National Bank Entity and its clients; and
  - c. the Representatives will act in the best interests of both their NBT clients and their NTC clients and deal fairly, honestly and in good faith.
13. Certain Representatives were granted dual registration as advising or associate advising representatives of the National Bank Entities before July 11, 2011, in reliance upon the grandfathering provision in section 4.1(2) of NI 31-103. However, Representatives registered on or after July 11, 2011 have only been granted registration with one of the National Bank Entities, and therefore prohibited from marketing PIM in jurisdictions where their sponsoring firm is not registered or otherwise permitted to carry on business.
14. In the absence of the Exemption Sought, the prohibition against Dual Registration in section 4.1(1)(b) of NI 31-103 has the potential over time to significantly hinder the competitive advantage of the National Bank Entities, even though NBT is an affiliate of NTC.

#### Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, so long as the circumstances described in paragraphs 5, 8, 10 and 11 above remain in place.

“Eric Stevenson”  
Superintendent  
Client Services and Distribution Oversight

## 2.1.9 360 Vox Corporation

### Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Relief from including certain financial statements in a filer's business acquisition report (BAR) – Filer acquired real estate business, including through acquiring shares of certain holding companies – Filer's BAR required to include financial statements of certain holding companies and pro forma financial statements in respect of acquisition of certain holding companies – Filer's BAR will include financial statements of the real estate business and pro forma financial statements giving effect to the acquisition of the business.

### Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, Part 8.

January 29, 2012

**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  
360 VOX CORPORATION  
(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 relief under Section 13.1 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**51-102**") from the requirement to include the following financial statements in a business acquisition report ("**BAR**") to be filed by the Filer pursuant to Part 8 of NI 51-102 in connection with the acquisition of the group of real estate businesses in Canada known as Sotheby's International Realty Canada, Sotheby's International Realty Quebec and Blueprint Global Marketing, which was completed on November 15, 2012 (the "**Acquisition**"):

- (a) for each of 0891528 B.C. Ltd. ("**McCredie Holdco**"), Hunter 2006 Holdings Inc. ("**Hunter Holdco**"), 0894803 B.C. Ltd. ("**Laver Holdco**") and 7227680 Canada Inc. ("**7227680 Holdco**" and, collectively with McCredie Holdco, Hunter Holdco and Laver Holdco, the "**Acquired Holdcos**"), an audited income statement, an audited statement of retained earnings and an audited cash flow statement for the year ended December 31, 2011, and an audited balance sheet as at the end of such period, including notes to such financial statements; and
- (b) for each of McCredie Holdco, Hunter Holdco, Laver Holdco, and 7227680 Holdco, an income statement, an statement of retained earnings and an cash flow statement for the year ended December 31, 2010 and a balance sheet as at the end of such period, including notes to such financial statements;
- (c) for each of the McCredie Holdco, Hunter Holdco, Laver Holdco, and 7227680 Holdco, unaudited interim financial statements for the nine-month period ended September 30, 2012 and 2011;
- (d) for the Filer, the following *pro forma* financial statements, with associated compilation reports, presented separately after giving effect to the acquisition of each of McCredie Holdco, Hunter Holdco, Laver Holdco and 7227680 Holdco:
  - (i) a *pro forma* balance sheet as at September 30, 2012,

- (ii) a *pro forma* income statement for the nine-month period ender September 30, 2012,
- (iii) a *pro forma* income statement for the year ended December 31, 2011 and
- (iv) *pro forma* earnings per share based upon the *pro forma* income statements referred to in this paragraph (c),

(collectively, the “**Exemption Sought**”).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied on in Alberta, British Columbia, and Saskatchewan.

### **Interpretation**

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are otherwise defined in this decision.

### **Representations**

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

1. The Filer is a corporation existing under the laws of the Province of Ontario.
2. The Filer's head office is located at 2001, rue University – Bureau 400, Montreal, Quebec and its registered office is located at 200 Bay Street, Royal Bank Plaza, South Tower, Suite 3800, Toronto, Ontario, M5J 2Z4.
3. The Filer is a reporting issuer in each of Ontario, British Columbia, Alberta and Saskatchewan and is not in default of its obligations as a reporting issuer under the securities laws of any of the foregoing jurisdictions.
4. The common shares of the Filer are listed and posted for trading on the TSX Venture Exchange under the symbol “VOX”.
5. The Filer's financial year end is December 31.
6. The Filer completed the Acquisition on November 15, 2012.
7. The Filer completed the Acquisition by acquiring, directly or indirectly, all of the issued and outstanding shares of Mt. Ventoux Holdings Inc. (“**Mt. Ventoux**”), including through the acquisition of each of McCredie Holdco, Laver Holdco and Hunter Holdco, which together provided the Filer with a 100% direct and indirect ownership of Mt. Ventoux. Concurrently, the Filer completed the acquisition of 7227680 Holdco, which provided the Filer with a 100% direct and indirect ownership of Gestram Real Estate Services Inc. (“**Gestram**”). The determination to complete the Acquisition by such share acquisitions was due to the pre-transaction existing structure and income tax considerations which dictated that the corporate structure be left intact until following the closing of the Acquisition.
8. At the time of the Acquisition: (i) each of McCredie Holdco and Hunter Holdco owned approximately 27.5% of the issued and outstanding shares of Mt. Ventoux and Laver Holdco owned approximately 20% of the issued and outstanding shares of Mt. Ventoux (collectively, the “**Mt. Ventoux Shares**”), and the remaining issued and outstanding shares of Mt. Ventoux were held by other non-corporate sellers; and (ii) 7227680 Holdco owned approximately 24.5% of the issued and outstanding shares of Gestram (the “**Gestram Shares**”) and the remaining issued and outstanding shares of Gestram were held by Max Wright Real Estate Corporation (“**Max Wright**”), a wholly owned subsidiary of Mt. Ventoux.
9. Throughout the period from incorporation and at the time of the Acquisition, each Acquired Holdco:
  - (a) did not have any revenues other than its share of earnings of Mt. Ventoux or Gestram, as the case may be, and sundry items;
  - (b) did not have any assets other than the Mt. Ventoux Shares or the Gestram Shares, as the case may be, cash and taxes recoverable;

---

**Decisions, Orders and Rulings**

---

- (c) did not have any expenses except those nominal expenses associated with general administrative matters of minimal significance;
  - (d) did not have any liabilities;
  - (e) did not conduct any operations or business other than the ownership of the Mt. Ventoux Shares or the Gestram Shares, as the case may be; and
  - (f) functioned solely as a corporate holding company.
10. The financial statements of each Acquired Holdco have not been audited or reviewed by an auditor.
11. Throughout the period from incorporation and at the time of the Acquisition, Mt. Ventoux was the operating entity which, either directly or indirectly (including through Gestram and Max Wright), conducted all of the business which was acquired by the Filer pursuant to the Acquisition.
12. Upon completion of the Acquisition: (i) the Filer held 100% of McCredie Holdco directly, 100% of Hunter Holdco directly, 100% of Laver Holdco directly and 100% of Mt. Ventoux directly and indirectly; and (ii) 100% of 7227680 Holdco directly and 100% of Gestram directly and indirectly.
13. Since the completion of the Acquisition, the Filer has completed certain corporate restructurings such that each of the Acquired Holdcos was, through a series of steps, amalgamated with the Filer and with Mt. Ventoux. The Filer has also transferred its entire interest in Gestram to Max Wright, such that Max Wright holds 100% of Gestram directly.
14. The Acquisition constitutes a "significant acquisition" for the Filer for the purposes of NI 51-102, and therefore the Filer must file a BAR no later than January 29, 2013.
15. Under NI 51-102, the BAR must include the following financial statements:
- (a) for Mt. Ventoux, McCredie Holdco, Hunter Holdco, Laver Holdco and 7227680 Holdco, the audited consolidated financial statements for the year ended December 31, 2011 and the unaudited consolidated financial statements for the year ended December 31, 2010;
  - (b) for Mt. Ventoux, McCredie Holdco, Hunter Holdco, Laver Holdco and 7227680 Holdco, the unaudited interim consolidated financial statements for the nine-month period ended September 30, 2012 and 2011; and
  - (c) for the Filer, the following *pro forma* financial statements, with associated compilation reports, presented separately after giving effect to each of the Acquisition, the acquisition of McCredie Holdco, the acquisition of Hunter Holdco and the acquisition of Laver Holdco:
    - (i) the balance sheet as at September 30, 2012;
    - (ii) the income statement for the nine-month period ended September 30, 2012;
    - (iii) the income statement for the year ended December 31, 2011; and
    - (iv) the earnings per share based upon the income statements referred to in this paragraph 15(c).
16. The only financial statements that are of relevance for investors are the consolidated financial statements of Mt. Ventoux and the Filer's *pro forma* financial statements after giving effect to the Acquisition, all of which the Filer will include in the BAR, and not the individual financial statements for any of the Acquired Holdcos, as referred to in paragraphs 15(a) and (b) above, or the Filer's *pro forma* financial statements after giving effect to the acquisition of each of McCredie Holdco, Hunter Holdco and Laver Holdco, as referred to in paragraph 15(c) above. Such financial statements of Mr. Ventoux and the Filer's *pro forma* financial statements after giving effect to the Acquisition will provide investors with all necessary disclosure regarding the Filer and the Acquisition

**Decision**

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the BAR includes the financial statements of Mt. Ventoux for the periods referenced in clauses (a) and (b) of paragraph 15 above, and

the *pro forma* financial statements of the Filer after giving effect to the Acquisition referenced in clause (c) of paragraphs 15 above.

“Sonny Randhawa”  
Manager, Corporation Finance  
Ontario Securities Commission



2.2 Orders

2.2.1 Franklin Advisers, Inc. et al. – s. 80 of the CFA

Headnote

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

Terms and conditions on exemption correspond to the relevant terms and conditions on 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

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

Instruments Cited

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  
FRANKLIN ADVISERS, INC.,  
FRANKLIN TEMPLETON INSTITUTIONAL, LLC AND  
FRANKLIN MUTUAL ADVISERS, LLC  
(each an “Applicant, and collectively, the “Applicants”)**

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

**UPON** the application (the “**Application**”) of the Applicants to the Ontario Securities Commission (the “**Commission**”) for an order, pursuant to section 80 of the CFA, that the Applicants 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 Applicants’ behalf (the “**Representatives**”) be exempt, for a period of five years, 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 requirement in the CFA that prohibits a person or company from acting as an adviser unless the person or company is registered in the appropriate category of registration under the CFA;

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

“**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 from the OSA Adviser Registration Requirement set out in section 8.26 of NI 31-103;

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

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

“**OSA Adviser Registration Requirement**” means the requirement in the OSA that prohibits a person or company from acting as an adviser 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 the 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 United States Securities and Exchange Commission; and

“**U.S. Advisers Act**” means the United States *Investment Advisers Act of 1940*.

**AND UPON** the Applicants having represented to the Commission that:

1. Franklin Advisers, Inc. (“FAI”)
  - (a) FAI is a corporation incorporated under the laws of California. The head office of FAI is located at One Franklin Parkway, San Mateo, California, 94403, U.S.A.
  - (b) FAI is an investment adviser that provides a variety of discretionary advisory services including but not limited to: (1) certain investment companies registered under the *Investment Company Act of 1940*, as amended; (2) unregistered funds and other pooled investment vehicles; and (3) institutions, such as insurance companies, other financial institutions, pension and profit sharing plans, governmental entities and colleges. FAI offers advice with respect to a broad range of securities, derivatives and other financial instruments.
  - (c) As at September 30, 2012, FAI had over US\$ 431 billion in assets under management.
  - (d) FAI is currently registered as an investment adviser with the SEC pursuant to the U.S. Advisers Act. FAI’s registration as a commodity pool operator (“**CPO**”), with respect to certain U.S. and offshore investment funds, is currently pending with the CFTC.
2. Franklin Templeton Institutional, LLC (“FTI LLC”)
  - (a) FTI LLC is a limited liability company organized and existing under the laws of the State of Delaware. The head office of FTI LLC is located at 600 Fifth Avenue, New York New York, 10020, U.S.A.
  - (b) FTI LLC is an investment adviser that provides a variety of discretionary advisory services including but not limited to: (1) certain investment companies registered under the *Investment Company Act of 1940*, as amended; (2) unregistered funds and other pooled investment vehicles; and (3) institutions, such as financial institutions, pension and profit sharing plans, U.S. state and local governmental entities, endowment funds and foundations.
  - (c) As at September 30, 2012, FTI LLC had over US\$30 billion in assets under management.
  - (d) FTI LLC is currently registered as an investment adviser with the SEC pursuant to the U.S. Advisers Act. FAI is currently exempt from registration with the CFTC as a CPO and commodity trading advisor (“**CTA**”), pursuant to U.S. Commodity Exchange Act, Section 4m and CFTC Rules 4.5, 4.6, 4.13 and 4.14, although FTI LLC may in the future rely upon other exemptions and/or register as a CPO and/or CTA. FTI LLC’s business does not currently consist primarily of acting as a commodity pool operator or commodity trading advisor. It does, however, provide commodity interest trading advice incidental to its business of providing securities or other investment advice.
3. Franklin Mutual Advisers, LLC (“FMA”)
  - (a) FMA is a limited liability company organized and existing under the laws of the State of Delaware. The head office of FMA is located at 51 John F. Kennedy Parkway, Short Hills, NJ 07078-2789.

- (b) FMA is an investment adviser that provides a variety of discretionary advisory services including but not limited to: (1) certain investment companies registered in the United States under the *Investment Company Act of 1940*, as amended; (2) funds registered/regulated in countries outside the United States and other unregistered pooled investment vehicles; and (3) institutions, such as insurance companies, other financial institutions, pension and profit sharing plans, governmental entities and colleges.
  - (c) As at September 30, 2012, the assets under management of FMA were approximately US\$58billion.
  - (d) FMA is currently registered as an investment adviser with the SEC pursuant to the U.S. Advisers Act. FMA is exempt from registration with the CFTC as a CPO and CTA, pursuant to U.S. Commodity Exchange Act, Section 4m and CFTC Rules 4.5, 4.6, 4.13 and 4.14, although FMA may in the future rely upon other exemptions and/or register as a CPO and/or CTA. FMA's business does not currently consist primarily of acting as a commodity pool operator or commodity trading advisor. It does, however, provide commodity interest trading advice incidental to its business of providing securities or other investment advice.
4. The Applicants are not registered in any capacity under the CFA or the OSA.
  5. Certain investment funds in Ontario that are Permitted Clients (the **Ontario Funds**) seek to engage the Applicants as discretionary portfolio managers for purposes of implementing certain specialized investment strategies.
  6. Franklin Templeton Investments Corp. ("**FTIC**") is the manager, principal distributor and transfer agent and registrar of the Ontario Funds. FTIC is registered under the OSA as an investment fund manager, portfolio manager, exempt market dealer and mutual fund dealer. The head office of FTIC is 200 King Street West, Suite 1500, Toronto, Ontario.
  7. FTIC, FAI, FTI LLC and FMA are all wholly-owned subsidiaries of Franklin Resources, Inc. ("**Franklin**"). Franklin's principal and executive offices are at One Franklin Parkway, San Mateo, California, U.S.A. Franklin is a large, diversified financial services organization which, through its operating subsidiaries, provides a variety of management, administrative and distribution services to over 200 mutual and other investment funds.
  8. The Applicants seek to act as discretionary portfolio managers on behalf of Permitted Clients. The proposed advisory services would include the use of specialized investment strategies employing Foreign Contracts.
  9. Were the proposed advisory services limited to securities, the Applicants could rely on the International Adviser Exemption and carry out such activities on behalf of Permitted Clients on the basis that the Applicants would be exempt from the OSA Adviser Registration Requirement.
  10. 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 Applicants would need to obtain registration as an adviser under the CFA, in the category of commodity trading manager.
  11. The Applicants submit that it would not be prejudicial to the public interest for the Commission to grant the requested relief because:
    - (a) the Applicants will only advise Permitted Clients as to trading in Foreign Contracts;
    - (b) Permitted Clients seek to access certain specialized portfolio management services provided by the Applicants, including advice as to trading in Foreign Contracts;
    - (c) each of the Applicants meet the prescribed conditions to rely on the International Adviser Exemption in connection with the provision of advice to Permitted Clients with respect to foreign securities; and
    - (d) each of the Applicants would provide advice to Permitted Clients as to trading in Foreign Contracts on terms and conditions that are analogous to the prescribed terms and conditions of the International Adviser Exemption.
  12. Each Applicant states that as of December 31, 2012 there were no regulatory actions of the type contemplated by the Notice of Regulatory Action attached as Appendix "B" in respect of the Applicant or any predecessor or any specified affiliates of the Applicant that are registered with the SEC.

**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 Applicants and their Representatives are exempt, for a period of five years, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, in respect of providing advice to Permitted Clients as to trading in Foreign Contracts, provided that:

- (a) the Applicants provide advice to Permitted Clients only as to trading in Foreign Contracts and do not advise Permitted Clients as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to providing advice on Foreign Contracts;
- (b) the head offices or principal places of business of the Applicants remain in the U.S.A.;
- (c) each of the Applicants either (i) continues to be exempt from registration as a commodity trading manager and commodity pool operator with the CFTC or (ii) registers as a CPO and/or CTA on a basis which permits it to carry on the activities in the U.S.A. that registration as an adviser under the CFA would permit it to carry on in Ontario;
- (d) each of the Applicants continues to engage in the business of an adviser, as defined in the CFA, in the U.S.A.;
- (e) as at the end of each Applicant's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of such Applicant, its affiliates and its affiliated partnerships (excluding the gross revenue of an affiliate or affiliated partnership of an Applicant if the affiliate or affiliated partnership is registered under securities legislation, commodities legislation or derivatives legislation in a jurisdiction of Canada) is derived from the portfolio management activities of the Applicant, its affiliates and its affiliated partnerships in Canada (which, for greater certainty, include both securities-related and commodity futures-related activities);
- (f) before advising a Permitted Client with respect to Foreign Contracts, each Applicant notifies the Permitted Client of all of the following:
  - (i) the Applicant is not registered in the local jurisdiction to provide the advice described under 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) each of the Applicants has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix "A";
- (h) each Applicant notifies the Commission of any regulatory action after the date of this Order in respect of the Applicant, or any predecessors or specified affiliates of the Applicant that are registered with the SEC, by completing and filing Appendix "B" within 10 days of the commencement of such action, provided that this condition shall not be required to be satisfied for so long as FTIC remains a registered firm in good standing under Ontario securities laws; and
- (i) by December 1 of each year, the Applicants notify the Commission if they are relying on the exemption from registration granted pursuant to this order.

April 30, 2013.

"James Turner"  
Commissioner  
Ontario Securities Commission

"James D. Carnwath"  
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; and
  - 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.
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 is to be submitted to the following address:

Ontario Securities Commission  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, ON M5H 3S8  
Attention: Registration Supervisor, Portfolio Manager Team  
Telephone: (416) 593-8164  
email: [amcbain@osc.gov.on.ca](mailto:amcbain@osc.gov.on.ca)

**APPENDIX B  
NOTICE OF REGULATORY ACTION**

1. Has the firm, or any predecessors or specified affiliates<sup>1</sup> 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)?		

<sup>1</sup> 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**

---

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	

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliate 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 to the following address:

Ontario Securities Commission  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, ON M5H 3S8  
Attention: Registration Supervisor, Portfolio Manager Team  
Telephone: (416) 593-8164  
email: [amcbain@osc.gov.on.ca](mailto:amcbain@osc.gov.on.ca)

2.2.2 Ronald James Ovenden et al. – ss. 127, 127.1

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

**AND**

**IN THE MATTER OF  
RONALD JAMES OVENDEN,  
NEW SOLUTIONS CAPITAL INC.,  
NEW SOLUTIONS FINANCIAL CORPORATION AND  
NEW SOLUTIONS FINANCIAL (II) CORPORATION**

**ORDER**

**(Sections 127 add 127.1 of the Securities Act)**

**WHEREAS** on March 28, 2013, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “*Securities Act*”) in respect of Ronald James Ovenden (“Ovenden”), New Solutions Capital Inc. (“NSCI”), New Solutions Financial Corporation (“NSFC”) and New Solutions Financial (II) Corporation (“NSFII”);

**AND WHEREAS** on March 28, 2013, Staff of the Commission (“Staff”) filed a Statement of Allegations (the “Statement of Allegations”) in respect of the same matter;

**AND WHEREAS** NSFC and NSFII entered into a Settlement Agreement dated March 28, 2013 (the “Settlement Agreement”) in relation to certain matters set out in the Statement of Allegations;

**AND WHEREAS** on April 1, 2013 the Commission issued a Notice of Hearing in respect of the Settlement Agreement;

**AND WHEREAS** by order dated April 10, 2013 the Commission approved the Settlement Agreement;

**AND WHEREAS** on April 11, 2012, the Commission ordered that all trading in the securities of NSFC, NSFII, New Solutions Financial (III) Corporation (“NSFIII”) and New Solutions Financial (VI) Corporation (“NSFVI”) cease immediately, that NSCI, NSFC, NSFII, NSFIII, NSFVI, their employees and representatives and Ovenden cease trading in all securities of NSFC, NSFII, NSFIII, and NSFVI immediately, that any exemptions contained in Ontario securities law do not apply to NSCI, NSFC, NSFII, NSFIII, NSFVI, their employees and representatives and Ovenden, and that the order take effect immediately and expire on the fifteenth day after its making unless extended by an order of the Commission (the “Temporary Order”);

**AND WHEREAS** the Temporary Order was extended on April 25, 2012 and October 11, 2012 and currently continues until May 10, 2013 and an appearance to address the Temporary Order is scheduled for May 9, 2013 at 10:00 a.m.;

**AND WHEREAS** pursuant to the Notice of Hearing dated March 28, 2013 an attendance before the Commission was held on May 1, 2013;

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

**UPON REVIEWING** the Notice of Hearing dated March 28, 2013, the Statement of Allegations, and the affidavit of service of Tia Faerber sworn April 25, 2013, and upon considering the submissions of counsel to Ovenden and of Staff, no one appearing for NSCI although duly served in accordance with the Commissions’ *Rules of Procedure*;

**IT IS HEREBY ORDERED:**

1. that the hearing of this matter is adjourned to Thursday, August 1, 2013 at 10:00 a.m.

**DATED** at Toronto this 1st day of May 2013.

“James E. A. Turner”

**2.2.3 Bunting & Waddington Inc. et al.**

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

**AND**

**IN THE MATTER OF  
BUNTING & WADDINGTON INC.,  
ARVIND SANMUGAM, JULIE WINGET  
and JENIFER BREKELMANS**

**ORDER**

**WHEREAS** on March 22, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") (the "Notice of Hearing") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 22, 2012, to consider whether it is in the public interest to make certain orders against Bunting & Waddington Inc. ("B&W"), Arvind Sanmugam ("Sanmugam"), Julie Winget ("Winget") and Jenifer Brekelmans ("Brekelmans") (collectively, the "Respondents");

**AND WHEREAS** on April 13, 2012, Staff filed Affidavits of Service evidencing service of the Notice of Hearing and the Statement of Allegations on the Respondents;

**AND WHEREAS** on April 16, 2012, a first appearance hearing was held before the Commission and Staff, Winget and counsel for Brekelmans appeared in person, Sanmugam attended via teleconference and no one appeared for B&W;

**AND WHEREAS** Staff advised that it was preparing the disclosure in this matter and anticipated that it would deliver the disclosure in two to three weeks;

**AND WHEREAS** on April 16, 2012, the Commission ordered that the hearing is adjourned to such date and time as set by the Office of the Secretary and agreed to by the parties, for a confidential pre-hearing conference;

**AND WHEREAS** on May 29, 2012, the Commission ordered that a confidential pre-hearing conference be held on June 19, 2012;

**AND WHEREAS** on June 19, 2012, a confidential pre-hearing conference was held before the Commission and Staff, Winget and counsel for Brekelmans appeared in person, Sanmugam attended via teleconference and no one appeared for B&W;

**AND WHEREAS** on June 19, 2012, the Commission ordered that the confidential pre-hearing conference be continued on October 18, 2012 to provide the panel with a status update and, if necessary, to hear any proper motions of Sanmugam;

**AND WHEREAS** on October 18, 2012, a continuation of the confidential pre-hearing conference was held before the Commission and Staff, Winget and counsel for Brekelmans appeared in person, B&W was represented by Winget, and Sanmugam attended via teleconference;

**AND WHEREAS** on October 18, 2012, the Commission ordered that the confidential pre-hearing conference be continued on January 18, 2013 to provide the panel with a status update;

**AND WHEREAS** on January 18, 2013, a continuation of the confidential pre-hearing conference was held before the Commission and Staff and counsel for Brekelmans appeared in person, Sanmugam attended via teleconference, and no one appeared for Winget or B&W;

**AND WHEREAS** on January 18, 2013, the Commission ordered that the confidential pre-hearing conference be continued on April 26, 2013 to provide the panel with a status update;

**AND WHEREAS** on April 26, 2013, a continuation of the confidential pre-hearing conference was held before the Commission and Staff appeared in person, Sanmugam attended via teleconference, and no one appeared for Brekelmans, Winget or B&W;

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

**IT IS ORDERED** that the confidential pre-hearing conference be adjourned to July 10, 2013 at 11:00 a.m. to provide the panel with a status update.

**DATED** at Toronto this 26th day of April, 2013.

"Edward P. Kerwin"

**2.2.4 Majestic Supply Co. Inc. et al. – Rules 1.6(2) and 11.5 of the OSC Rules of Procedure**

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

**AND**

**IN THE MATTER OF  
MAJESTIC SUPPLY CO. INC.,  
SUNCASTLE DEVELOPMENTS CORPORATION,  
HERBERT ADAMS, STEVE BISHOP,  
MARY KRICFALUSI, KEVIN LOMAN and  
CBK ENTERPRISES INC.**

**ORDER**

**(Rules 1.6(2) and 11.5 of the Commission's  
Rules of Procedure (2012), 35 O.S.C.B. 10071)**

**WHEREAS** on October 20, 2010 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in connection with a Statement of Allegations dated October 20, 2010 filed by Staff of the Commission ("Staff") in respect of Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.;

**AND WHEREAS** a hearing on the merits in this matter was held before the Commission on November 7, 9, 10, 11, 14, 15, 16, 17, 28, 29, 2011 and May 18, 2012;

**AND WHEREAS** following the hearing on the merits, the Commission issued its Reasons and Decision with respect to the merits on February 21, 2013;

**AND WHEREAS** the hearing to determine sanctions and costs was held on March 15, 2013 at 10:00 a.m.;

**AND WHEREAS** an issue arose at the sanctions hearing concerning the accuracy of the statutory declaration of Herb Adams dated March 13, 2013 which attached the statutory declaration of Herb Adams dated July 20, 2011 and Staff advised that it would discuss the issue with the parties and make further enquiries, if necessary, to determine whether leave to cross-examine on the statutory declarations would be requested;

**AND WHEREAS** on April 3, 2013, Staff served and filed an affidavit of Jeff Thomson sworn April 3, 2013 which attached the emails and documents received from the parties relating to the accuracy of the two statutory declarations of Herb Adams;

**AND WHEREAS** on April 9, 2013, counsel for Kevin Loman filed and served written submissions on sanctions;

**AND WHEREAS** a case management conference was held before the Commission on May 2, 2013 and

attended by Staff, counsel for Herb Adams and counsel for Kevin Loman to consider: (i) whether another date for the continuation of the sanctions hearing is necessary; and (ii) counsel for Kevin Loman's request for an extension of the time to file and serve written submissions on sanctions dated April 9, 2013;

**AND WHEREAS** Mary Kricfalusi and Steve Bishop did not attend the case management conference on May 2, 2013 but provided emails to the Registrar in which: (i) Mary Kricfalusi advised that she was in agreement with whatever the panel decides on the two procedural issues; and (ii) Steve Bishop advised that he had hoped to have the opportunity to cross-examine Herb Adams on his statutory declarations and subsequent responses;

**AND WHEREAS** the panel heard oral submissions from Staff, counsel for Kevin Loman and counsel for Herb Adams and considered the emails received from Mary Kricfalusi and Steve Bishop;

**AND WHEREAS** none of the parties objected to an extension of time to permit counsel for Kevin Loman to file written sanction submissions dated April 9, 2013 on behalf of Kevin Loman and no party indicated that they intended to reply to the submissions;

**AND WHEREAS** Staff requested permission to file an affidavit of Jeff Thomson to be sworn May 2, 2013, which attached further emails and documents exchanged between Staff and counsel for Herb Adams;

**AND WHEREAS** both counsel for Herb Adams and counsel for Kevin Loman advised the panel that they did not object to the filing of the affidavit of Jeff Thomson to be sworn May 2, 2013;

**AND WHEREAS** the Commission considers that it is in the public interest to make this order;

**IT IS ORDERED** that the time for counsel for Kevin Loman to file and serve written sanctions submissions dated April 9, 2013 is extended pursuant to Rule 1.6(2) of the Commission's **Rules of Procedure** (2012), 35 O.S.C.B. 10071 (the "**Rules of Procedure**");

**IT IS FURTHER ORDERED** that, subject to a party satisfying the panel that there is not good reason for doing so, the remainder of the sanctions hearing will be converted to a written hearing pursuant to Rule 11.5 of the Commission's **Rules of Procedure** on May 8, 2013;

**IT IS FURTHER ORDERED** that the parties will have until May 10, 2013 to serve and file any written submissions or evidence responding to the affidavits of Jeff Thomson sworn April 3 and May 2, 2013, after which the panel will deliberate on its sanctions decision.

Dated at Toronto this 2nd day of May, 2013.

"Edward P. Kerwin"

"Paulette L. Kennedy"

**2.2.5 Taggart Capital Corp. – s. 1(6) of the OBCA**

**Headnote**

Filer deemed to have ceased to be offering its securities to the public under the OBCA.

**Applicable Legislative Provisions**

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

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

**AND**

**IN THE MATTER OF  
TAGGART CAPITAL CORP.  
(THE APPLICANT)**

**ORDER  
(Subsection 1(6) of the OBCA)**

**UPON** the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

**AND UPON** the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in the OBCA, and has an authorized capital consisting of an unlimited number of common shares (**Common Shares**).
2. The head office of the Applicant is located at 1 First Canadian Place, Suite 6100, Toronto, Ontario, M5X 1C1.
3. On March 11, 2013, the Applicant completed an arrangement (the **Arrangement**) under the *Business Corporations Act* (Ontario), pursuant to an arrangement agreement and plan of arrangement involving the Applicant, PRO Real Estate Investment Trust (**PROREIT**), PRO REIT GP Inc. and PRO REIT Limited Partnership (**PRO REIT LP**).
4. The Applicant's issued and outstanding share capital immediately prior to the effective time of the Arrangement was 28,569,368.
5. Following completion of the Arrangement, all issued and outstanding Common Shares were exchanged for trust units of PROREIT (**Units**) and/or Class B limited partnership units of PRO REIT LP, and all issued and outstanding options to purchase Common Shares were either

cancelled or exchanged for options to purchase Units.

6. As of the date of this decision, all of the issued and outstanding securities of the Applicant, including debt securities, which are beneficially owned, directly or indirectly, are held by a sole securityholder, PRO REIT LP, a subsidiary of PROREIT.
7. The Common Shares of the Applicant have been de-listed from the TSX Venture Exchange, effective as of March 13, 2013, contemporaneously with the listing of Units on the TSX Venture Exchange.
8. No securities of the Applicant are traded 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 publically reported.
9. The Applicant has applied for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer (the **Relief Requested**).
10. The Applicant has no intention to seek public financing by way of an offering of securities in a jurisdiction of Canada by way of private placement or public offering.
11. The Applicant is not in default of any requirement of the securities legislation in any of the jurisdictions in which it is a reporting issuer.
12. The Applicant ceased to be a reporting issuer in the province of British Columbia on March 24, 2013.
13. The Applicant, upon the grant of the Relief Requested, will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

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

**IT IS HEREBY ORDERED** by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public for the purpose of the OBCA.

**DATED** at Toronto on this 23rd day of April, 2013.

"Vern Krishna"  
Commissioner  
Ontario Securities Commission

"James D. Carnwath"  
Commissioner  
Ontario Securities Commission

**2.2.6 iShares MSCI Emerging Markets IMI Index ETF et al. – s. 1.1 of OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions**

**Headnote**

Certain mutual funds designated as exchange-traded funds for the purposes of OSC Rule 48-501.

**Rules Cited**

Ontario Securities Commission Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions, s. 1.1.

**IN THE MATTER OF  
ONTARIO SECURITIES COMMISSION RULE 48-501 –  
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS  
(Rule)**

**AND**

**IN THE MATTER OF  
ISHARES MSCI EMERGING MARKETS IMI INDEX ETF  
ISHARES MSCI EAFE IMI INDEX ETF  
ISHARES S&P 500 INDEX ETF  
(the Funds)**

**DESIGNATION ORDER  
Section 1.1**

**WHEREAS** each of the Funds is or will be listed on the Toronto Stock Exchange;

**AND WHEREAS** under the Universal Market Integrity Rules (UMIR), each Fund is considered an Exempt Exchange-traded Fund that is not subject to prohibitions related to trading during certain securities transactions;

**AND WHEREAS** the definition of “exchange-traded fund” in the Rule is substantially similar to the definition of Exempt Exchange-traded Fund in UMIR, and the purpose of the Rule and UMIR are substantially similar;

**THE DIRECTOR HEREBY DESIGNATES** each of the Funds as an exchange-traded fund for the purposes of the Rule.

Dated April 10, 2013

“Susan Greenglass”  
Director, Market Regulation

**2.2.7 First Trust AlphaDEX™ Canadian Dividend Plus ETF et al. – s. 1.1 of OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions**

**Headnote**

Certain mutual funds designated as exchange-traded funds for the purposes of OSC Rule 48-501.

**Rules Cited**

Ontario Securities Commission Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions, s. 1.1.

**IN THE MATTER OF  
ONTARIO SECURITIES COMMISSION RULE 48-501 –  
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS  
(Rule)**

**AND**

**IN THE MATTER OF  
FIRST TRUST AlphaDEX™ CANADIAN DIVIDEND PLUS ETF  
FIRST TRUST AlphaDEX™ U.S. DIVIDEND PLUS ETF (CAD-HEDGED)  
FIRST TRUST AlphaDEX™ EMERGING MARKET DIVIDEND ETF (CAD-HEDGED)  
FIRST TRUST AlphaDEX™ GLOBAL ENERGY INCOME PLUS ETF (CAD-HEDGED)  
FIRST TRUST SENIOR LOAN ETF (CAD-HEDGED)  
(the Funds)**

**DESIGNATION ORDER  
Section 1.1**

**WHEREAS** each of the Funds is or will be listed on the Toronto Stock Exchange;

**AND WHEREAS** under the Universal Market Integrity Rules (UMIR), each Fund is considered an Exempt Exchange-traded Fund that is not subject to prohibitions related to trading during certain securities transactions;

**AND WHEREAS** the definition of “exchange-traded fund” in the Rule is substantially similar to the definition of Exempt Exchange-traded Fund in UMIR, and the purpose of the Rule and UMIR are substantially similar;

**THE DIRECTOR HEREBY DESIGNATES** each of the Funds as an exchange-traded fund for the purposes of the Rule.

Dated May 3, 2013

“Susan Greenglass”  
Director, Market Regulation



2.2.8 **Forex Capital Markets, LLC et al. – s. 74(1)**

**Headnote**

Section 74(1) of the Securities Act (Ontario) – Application for relief from prospectus requirements that may otherwise be applicable to certain trades in over-the-counter (OTC) derivatives made by either Applicant to Ontario-registered investment dealers or by Ontario-registered investment dealers to either Applicant, subject to certain terms and conditions.

**Applicable Legislative Provisions**

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

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

**AND**

**IN THE MATTER OF  
FOREX CAPITAL MARKETS, LLC (FXCM US)**

**AND**

**FXCM SECURITIES LIMITED (FXCM SECURITIES)**

**AND**

**FXCM CAPITAL MARKETS, LIMITED (FXCM UK)**

**ORDER  
(Subsection 74(1) of the Act)**

**UPON** the application (the **Application**) of FXCM US, FXCM Securities and FXCM UK (collectively, the Applicants) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to subsection 74(1) of the Act, that the Applicants be exempt from the prospectus requirement in respect of the distribution to registered dealers in Ontario of contracts for difference (**CFDs**) and over-the-counter (**OTC**) foreign exchange contracts (**OTC FX Contracts**) (the **Requested Relief**), subject to the terms and conditions below;

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

**AND UPON** the Applicants having represented to the Commission that:

**The Applicants**

1. FXCM US is a limited liability company organized under the laws of the state of Delaware with its principal office in New York, New York.

2. FXCM US provides online trading to investors in OTC FX Contracts.

3. FXCM US is authorized and regulated by the United States Commodity Futures Trading Commission (the **CFTC**) and the United States National Futures Association (the **NFA**) and is currently registered as a Futures Commission Merchant, Retail Foreign Exchange Dealer and Swap Dealer with the CFTC.

4. Each of FXCM Securities and FXCM UK is a company organized under the laws of the United Kingdom with its principal office in London, United Kingdom.

5. Each of FXCM Securities and FXCM UK is authorized and regulated by the Financial Conduct Authority of the United Kingdom (the **Financial Regulator**). FXCM Securities and FXCM UK are licensed in the United Kingdom to deal directly with retail clients with respect to their permitted activities.

6. FXCM US, FXCM Securities and FXCM UK are wholly-owned subsidiaries of FXCM Holdings LLC (**FXCM Holdings**) a limited liability company organized under the laws of the state of Delaware. FXCM Holdings is a subsidiary of, and controlled by, FXCM Inc. FXCM Inc. is a publicly traded company on the New York Stock Exchange organized under the laws of the state of Delaware.

7. After July 11, 2012, the Applicants stopped accepting new investors in Ontario for CFDs and OTC FX Contracts. Prior to the publication of Ontario Securities Commission Staff Notice 91-702 *Offerings of Contracts for Difference and Foreign Exchange Contracts to Investors in Ontario (OSC SN 91-702)*, the Applicants were of the view that the regulatory status of CFDs and OTC FX Contracts under the Act was uncertain. Upon reviewing OSC SN 91-702, the Applicants decided to redirect new Ontario-resident client accounts, and transfer their existing Ontario-resident client accounts, to an Ontario registered investment dealer. The transfer of accounts is expected to be completed in May 2013, and the Applicants currently do not offer CFDs, OTC FX Contracts, nor any other OTC derivatives to investors, other than Ontario-registered investment dealers, in Ontario. In the process of making these transfers, the Applicants came to understand that Ontario-registered investment dealers engaged in the trading of CFDs and OTC FX Contracts wish to minimize their risk (and offset their exposure) by entering into corresponding CFDs and OTC FX Contracts with the Applicants.

8. The Applicants wish to offer CFDs and OTC FX Contracts solely to Ontario-registered investment dealers.

9. The Applicants will be exempt from the dealer registration requirement pursuant to section 8.5 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*, as Ontario-registered investment dealers will be the sole counterparties to FXCM US, FXCM Securities and/or FXCM UK for all trades in CFDs and OTC FX Contracts.
10. Each of FXCM US, FXCM Securities and FXCM UK is a "regulated entity" and an "acceptable counterparty" as defined in the rules and regulations of IIROC (the IIROC Rules).

#### Online Trading Platform

11. The Applicants understand that Ontario-registered investment dealers wishing to trade with retail clients in Canada must file an application with the Commission seeking an exemption from the prospectus filing requirement for the distribution of CFDs and OTC FX Contracts which, if granted, would permit the Ontario-registered investment dealer to offer CFDs and OTC FX Contracts to investors, including retail investors.
12. Ontario-registered investment dealers wishing to engage in this type of trading also wish to minimize their risk by entering into corresponding CFDs and OTC FX Contracts for the purpose of offsetting their exposure to the CFDs and OTC FX Contracts.
13. The Applicants wish to provide a means for these Ontario-registered investment dealers to offset their exposure and thereby reduce the regulatory capital risk of such investment dealers.
14. FXCM US has entered into a software license and services agreement with Friedberg Mercantile Group Ltd. (**Friedberg**) to provide Friedberg with online trading platform technology for CFDs and OTC FX Contracts, as described in the Commission's decision *In the Matter of Friedberg Mercantile Group Ltd.* (October 14, 2011).

#### Offering CFDs and OTC FX Contracts in Ontario

15. Consistent with OSC SN 91-702, CFDs and OTC FX Contracts, when offered to investors in Ontario, are considered "securities" under the Act. OSC SN 91-702 provides guidance with regards to the distributions of CFDs, OTC FX Contracts and similar OTC derivative products to investors in Ontario.
16. The Commission has previously recognized that the prospectus requirement may not be well suited for the distribution of certain derivative products to investors in Ontario, and that alternative requirements, including requirements based on clear and plain language risk disclosure, may be

better suited for certain derivatives. In Ontario, both OSC Rule 91-502 *Trades in Recognized Options (OSC Rule 91-502)* and OSC Rule 91-503 *Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario (OSC Rule 91-503)* provide for a prospectus exemption for the trading of derivative products to clients. The Requested Relief is consistent with the principles and requirements of OSC Rule 91-502, OSC Rule 91-503 and proposed OSC Rule 91-504 *OTC Derivatives*.

17. The Applicants will only offer CFDs and OTC FX Contracts to Ontario-registered investment dealers.

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

**IT IS ORDERED**, pursuant to subsection 74(1) of the Act, that for the duration of the Interim Period (as defined below) the Requested Relief is granted, provided that:

1. the Applicants only distribute CFDs or OTC FX Contracts in Ontario to Ontario-registered investment dealers;
2. any Ontario-registered investment dealer that: (i) distributes CFDs or OTC FX Contracts to retail clients; and (ii) to whom the Applicants distribute CFDs or OTC FX Contracts, has obtained exemptive relief from the Commission from the prospectus filing requirement in respect of the Ontario-registered investment dealer's distribution of CFDs and OTC FX Contracts in Ontario;
3. the Applicants are regulated in their home jurisdictions under rules establishing a compliance regime which includes specific requirements to address market, capital and operational risks;
4. FXCM US is, and remains, regulated by the CFTC and the NFA and each of FXCM Securities and FXCM UK is, and remains, regulated by the Financial Regulator;
5. each of the Applicants is, and continues to be, a "regulated entity" and an "acceptable counterparty" as defined in the rules and regulations of IIROC;
6. each of the Applicants shall promptly inform the Commission in writing of any material change affecting it, being any change in the business, activities, operations or financial results or condition of the Applicant that may reasonably be perceived by a counterparty to a derivative to be material;
7. each of the Applicants shall promptly inform the Commission in writing if a self-regulatory organi-

zation or any other regulatory authority or organization initiates proceedings or renders a judgment related to disciplinary matters against the Applicant concerning the conduct of activities with respect to CFDs and/or OTC FX Contracts; and

8. the Requested Relief shall immediately expire upon the earliest of
- (a) four years from the date that this Order is issued;
  - (b) the issuance of an order or decision by a court, the CFTC, the NFA, the Financial Regulator, or other similar regulatory body that suspends or terminates the ability of FXCM US to offer CFDs or OTC FX Contracts to clients in the United States or the ability of FXCM Securities or FXCM UK to offer CFDs or OTC FX Contracts to clients in the United Kingdom; and
  - (c) the coming into force in Ontario of legislation or a rule regarding the distribution of OTC derivatives to investors in Ontario (the **Interim Period**).

Dated May 3, 2013.

“Anne Marie Ryan”  
Commissioner

“Sarah B. Kavanagh”  
Commissioner

**2.2.9 Mackenzie Financial Corporation et al. – ss. 78(1), 80 of the CFA**

**Headnote**

Subsection 78(1) and section 80 of the Commodity Futures Act (Ontario) – Variation of previous order to add new sub-advisers – Relief from the adviser registration requirements of subsection 22(1)(b) of the CFA granted to sub-advisers not ordinarily resident in Ontario in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions – Relief mirrors exemption available in section 7.3 of OSC Rule 35-502 Non-Resident Advisers made under the Securities Act (Ontario).

**Applicable Legislative Provisions**

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22(1)(b), 78(1), 80.  
Securities Act, R.S.O. 1990, c. S.5, as am. – Rule 35-502 Non-Resident Advisers.

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

**AND**

**IN THE MATTER OF  
MACKENZIE FINANCIAL CORPORATION**

**AND**

**EATON VANCE MANAGEMENT**

**AND**

**IVY INVESTMENT MANAGEMENT COMPANY  
(a subsidiary of Waddell & Reed Financial Inc.)**

**AND**

**MACKENZIE INVESTMENTS PTE. LTD.  
(a wholly owned subsidiary of Mackenzie Financial Corporation)**

**AND**

**RCM ASIA PACIFIC LIMITED**

**AND**

**SETANTA ASSET MANAGEMENT LIMITED**

**AND**

**THE PUTNAM ADVISORY COMPANY, LLC**

**AND**

**PUTNAM INVESTMENTS LIMITED**

**ORDER  
(Subsection 78(1) and section 80 of the CFA)**

**UPON** the application (the **Application**) of Mackenzie Financial Corporation (the **Principal Adviser**), The Putnam Advisory Company, LLC (**PAC**) and Putnam Investments Limited (**PIL**) (each a **New Sub-Adviser** and collectively the **New Sub-Advisers**), and Eaton Vance Management, Ivy Investment Management Company, Mackenzie Investments Pte. Ltd., RCM Asia Pacific Limited, and Setanta Asset Management Limited (each an **Existing Sub-Adviser** and collectively, the **Existing Sub-Advisers**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to subsection 78(1) of the CFA,

to vary a previous order of the Commission dated March 8, 2013, made under subsection 78(1) and section 80 of the CFA, *In the Matter of Mackenzie Financial Corporation and Eaton Vance Management, and Ivy Investment Management Company, Mackenzie Investments Ptd. Ltd., and RCM Asia Pacific Limited and Setanta Asset Management Limited* (the **Previous Order**), a copy of which is attached as Attachment "A" hereto;

**WHEREAS** the Previous Order provided that each of the Existing Sub-Advisers and their Representatives (defined below) are exempt from the CFA Registration Requirement (defined below) in respect of acting as a sub-adviser to the Principal Adviser in respect of trading in Contracts, provided that certain conditions are satisfied;

**AND WHEREAS** the Principal Adviser seeks to vary the Previous Order to add each of the New Sub-Advisers 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 relevant New Sub-Adviser's behalf (the Representatives) to the Previous Order, such that each of the New Sub-Advisers and their Representatives will also be exempt, for a period of five years from the date of the Previous Order, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, subject to certain terms and conditions;

**AND WHEREAS** for the purposes of this order (the Order):

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

"**CFTC**" means the United States Commodity Futures Trading Commission;

"**FCA**" means the Financial Conduct Authority in the United Kingdom;

"**OSA**" means the *Securities Act* (Ontario);

"**OSA Adviser Registration Requirement**" means subsection 25(3) of the OSA that prohibits a person or company from engaging in the business of, or holding himself, herself or itself out as engaging in the business of, advising anyone with respect to investing in, buying or selling securities in Ontario unless the person or company is registered in the appropriate category of registration under the OSA;

"**OSA Sub-Adviser Exemption**" means the exemption from the OSA Adviser Registration Requirement set out in section 7.3 of OSC Rule 35-502 *Non-Resident Advisers*;

"**SEC**" means the United States Securities and Exchange Commission; and

"**U.S. Advisers Act**" means the United States *Investment Advisers Act of 1940*.

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

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

**Principal Adviser**

1. The Principal Adviser is a corporation governed by the laws of Ontario with its head office located in Toronto, Ontario.
2. The Principal Adviser is registered:
  - a. under the OSA, as an adviser in the category of portfolio manager, as a dealer in the category of exempt market dealer, and as an investment fund manager; and
  - b. under the CFA as an adviser in the category of a commodity trading manager.
3. The Principal Adviser is also registered under the securities legislation in each Canadian province and territory as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer. It is also registered under the securities legislation of Québec and Newfoundland as an investment fund manager.

**New Sub-Advisers**

4. Each New Sub-Adviser is organized under the laws of a jurisdiction other than Canada or the provinces or territories thereof. In particular, the New Sub-Advisers are:
  - a. PAC, a limited liability company organized under the laws of the State of Delaware, with its principal place of business located in Boston, State of Massachusetts in the United States. PAC is registered with the SEC as

an investment adviser under the U.S. Advisers Act. Although PAC advises on derivative products to clients in the United States, it is currently exempt from registration under the United States Commodity Exchange Act as a commodity trading adviser with the CFTC.

- b. PIL, a company organized under the laws of England and Wales with its principal place of business located in London, United Kingdom. PIL is registered with the FCA as an adviser. PIL's permitted activities pursuant to its registration with the FCA include advising on Contracts.
5. None of the New Sub-Advisers are or will be registered in any capacity under the CFA and are not required to do so under the laws of their respective jurisdiction in order to engage in the Proposed Sub-Advisory Services (as defined below).
  6. To the best of the knowledge of the Principal Adviser and the New Sub-Advisers, none of the Principal Adviser or the New Sub-Advisers, as the case may be, is in default of securities legislation of Ontario.
  7. The Principal Adviser is the investment manager of and/or provides discretionary portfolio management services to (i) investment funds, the securities of which are qualified by prospectus for distribution to the public in Ontario and certain other provinces and territories of Canada (the **Investment Funds**); (ii) pooled funds, the securities of which are sold on a private placement basis in Ontario and certain other provinces and territories of Canada pursuant to prospectus exemptions contained in National Instrument 45-106 Prospectus and Registration Exemptions (the **Exempt Funds**); (iii) managed accounts of clients who have entered into investment management agreements with the Principal Adviser (the **Managed Accounts**); and (iv) other Investment Funds, Exempt Funds and Managed Accounts that may be established in the future in respect of which the Principal Adviser engages a New Sub-Adviser to provide portfolio advisory services (the **Future Clients**) (where each of the Investment Funds, Exempt Funds, Managed Accounts and Future Clients are referred to individually as a **Client** and collectively as the **Clients**).
  8. The portfolio management services provided by the Principal Adviser to its Clients will include acting as an adviser with respect to both securities and Contracts where such investments are part of the investment program of such Clients.
  9. In connection with the Principal Adviser acting as an adviser to Clients in respect of the purchase or sale of Contracts, the Principal Adviser has retained or will retain, pursuant to a written agreement made between the Principal Adviser and each New Sub-Adviser, each New Sub-Adviser to act as a sub-adviser to the Principal Adviser by exercising discretionary authority on behalf of the Principal Adviser, in respect of all or a portion of the assets of the investment portfolio of the respective Client, which may include discretionary authority to buy or sell Contracts for the Client (the **Proposed Sub-Advisory Services**), provided that:
    - a. in each case, the Contracts must be cleared through an "acceptable clearing corporation" (as defined in National Instrument 81-102 *Mutual Funds*, or any successor thereto (**NI 81-102**)) or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A of NI 81-102; and
    - b. such investments are consistent with the investment objectives and strategies of the applicable Client.
  10. The written agreement between the Principal Adviser and each New Sub-Adviser sets out or will set out the obligations and duties of each party in connection with the Proposed Sub-Advisory Services and permits the Principal Adviser to exercise the degree of supervision and control it is required to exercise over the New Sub-Adviser in respect of the Proposed Sub-Advisory Services.
  11. In connection with the Proposed Sub-Advisory Services, the relationship among the Principal Adviser, the relevant New Sub-Adviser and any Client shall satisfy the applicable requirements of the OSA Sub-Adviser Exemption, namely that:
    - a. the obligations and duties of the relevant New Sub-Adviser will be set out in a written agreement with the Principal Adviser;
    - b. the Principal Adviser will contractually agree with the Client to be responsible for any loss that arises out of the failure of the relevant New Sub-Adviser:
      - i. to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and the Client; or
      - ii. to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (i), the **Assumed Obligations**); and

- c. the Principal Adviser cannot be relieved by the Client from its responsibility for any loss that arises out of the failure of the relevant New Sub-Adviser to meet the Assumed Obligations.
12. The relevant New Sub-Adviser and its Representatives shall only provide the Proposed Sub-Advisory Services as long as the Principal Adviser is, and remains, registered under the CFA as an adviser in the category of commodity trading manager.
13. The Principal Adviser will deliver to the Clients all applicable reports and statements under applicable securities, commodity futures and derivatives legislation.
14. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser (the **CFA Adviser Registration Requirement**). Under the CFA, "adviser" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to trading in Contracts.
15. By providing the Proposed Sub-Advisory Services, each New Sub-Adviser and its Representatives will be engaging in, or holding himself, herself or itself out as engaging in, the business of advising others in respect of Contracts and, in the absence of being granted the requested relief, would be required to register as an adviser, or a representative of an adviser, as the case may be, under the CFA.
16. There is currently no exemption from the CFA Adviser Registration Requirement that is equivalent to the OSA Sub-Adviser Exemption. Consequently, in the absence of the Order, each New Sub-Adviser would be required to satisfy the CFA Adviser Registration Requirement in order to carry out the Proposed Sub-Advisory Services.
17. The Principal Adviser and each New Sub-Adviser submit that it would not be prejudicial to the public interest for the Commission to make the Order because:
- a. the Principal Adviser seeks to access certain specialized portfolio management services provided by the New Sub-Advisers, including advice as to trading in Contracts; and
- b. each New Sub-Adviser would act as a sub-adviser to the Principal Adviser in respect of trading in contracts on terms and conditions that are analogous to the prescribed terms and conditions of the OSA Sub-Adviser Exemption.
18. All of the representations contained in the Previous Order remain unchanged, except that Mackenzie Investments Pte. Ltd. is now registered with the Monetary Authority of Singapore for a capital markets services license for fund management.

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

**IT IS ORDERED** pursuant to subsection 78(1) and section 80 of the CFA that the Previous Order is varied to add each New Sub-Adviser and its Representatives to the Previous Order, such that each New Sub-Adviser and its Representatives are exempt from the CFA Adviser Registration Requirement in respect of acting as a sub-adviser to the Principal Adviser in respect of trading in Contracts provided that:

- (a) the Principal Adviser is registered under the CFA as an adviser in the category of commodity trading manager;
- (b) each New Sub-Adviser and its Representatives are appropriately registered or licensed to provide the Proposed Sub-Advisory Services to the Clients pursuant to the applicable legislation of their principal jurisdiction, or are entitled to rely on appropriate exemptions from such registrations or licenses;
- (c) the obligations and duties of each New Sub-Adviser are set out in a written agreement with the Principal Adviser;
- (d) no New Sub-Adviser shall act as a sub-adviser to the Principal Adviser unless the Principal Adviser has contractually agreed with each Client to be responsible for any loss that arises out of any failure of the relevant New Sub-Adviser to meet the Assumed Obligations and cannot be relieved by any of its Clients from its responsibility for any loss that arises out of any failure of the relevant New Sub-Adviser to meet the Assumed Obligations;

- (e) the prospectus or similar offering document for each Client for which the Principal Adviser engages the New Sub-Adviser to provide the Proposed Sub-Advisory Services will include the following disclosure:
  - (i) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the relevant New Sub-Adviser to meet the Assumed Obligations; and
  - (ii) a statement that there may be difficulty in enforcing any legal rights against the relevant New Sub-Adviser (or any of its Representatives) because the relevant New Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada; and
- (f) in circumstances where a Client for which the Principal Adviser engages the New Sub-Adviser to provide the Proposed Sub-Advisory Services does not prepare a prospectus or similar offering document for delivery to prospective purchasers, the Client and, if applicable, all investors of the Client who are Ontario residents will receive written disclosure prior to the purchasing of any Contracts for such Client that includes:
  - (i) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the relevant New Sub-Adviser to meet the Assumed Obligations; and
  - (ii) a statement that there may be difficulty in enforcing any legal rights against the relevant New Sub-Adviser (or any of its Representatives) because the relevant New Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.

May 3, 2013

“Anne Marie Ryan”  
Commissioner  
Ontario Securities Commission

“Sarah B. Kavanagh”  
Commissioner  
Ontario Securities Commission



ATTACHMENT A

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

AND

IN THE MATTER OF  
MACKENZIE FINANCIAL CORPORATION

AND

EATON VANCE MANAGEMENT

AND

IVY INVESTMENT MANAGEMENT COMPANY  
(a subsidiary of Waddell & Reed Financial Inc.)

AND

MACKENZIE INVESTMENTS PTE. LTD.  
(a wholly owned subsidiary of Mackenzie Financial Corporation)

AND

RCM ASIA PACIFIC LIMITED

AND

SETANTA ASSET MANAGEMENT LIMITED

ORDER  
(Subsection 78(1) and section 80 of the CFA)

**UPON** the application (the Application) of Mackenzie Financial Corporation (the **Principal Adviser**) and Eaton Vance Management, Ivy Investment Management Company, Mackenzie Investments Pte. Ltd., RCM Asia Pacific Limited and Setanta Asset Management Limited (each, a **Sub-Adviser**, and collectively the **Sub-Advisers**) to the Ontario Securities Commission (the **Commission**) for an order:

- (a) pursuant to subsection 78(1) of the CFA, revoking the exemption order granted by the Commission to the Principal Adviser and the sub-advisers set out therein on March 18, 2008 (the **Previous Order**); and
- (b) pursuant to section 80 of the CFA, that the Sub-Advisers 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 relevant Sub-Adviser's behalf (the Representatives) be exempt, for a period of five years, 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 (the Order):

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

“**OSA**” means the *Securities Act* (Ontario);

“**OSA Adviser Registration Requirement**” means subsection 25(3) of the OSA that prohibits a person or company from engaging in the business of, or holding himself, herself or itself out as engaging in the business of, advising anyone with respect to investing in, buying or selling securities in Ontario unless the person or company is registered in the appropriate category of registration under the OSA;

**“OSA Sub-Adviser Exemption”** means the exemption from the OSA Adviser Registration Requirement set out in section 7.3 of OSC Rule 35-502 *Non-Resident Advisers*;

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

**“U.S. Advisers Act”** means the United States *Investment Advisers Act of 1940*.

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

1. The Principal Adviser is a corporation governed by the laws of Ontario with its head office located in Toronto, Ontario.
2. The Principal Adviser is registered:
  - (a) under the OSA, as an adviser in the category of portfolio manager, as a dealer in the category of exempt market dealer, and as an investment fund manager; and
  - (b) under the CFA as an adviser in the category of a commodity trading manager.
3. The Principal Adviser is also registered under the securities legislation in each Canadian province and territory as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer. It is also registered under the securities legislation of Québec and Newfoundland as an investment fund manager.
4. Each Sub-Adviser is organized under the laws of a jurisdiction other than Canada or the provinces or territories thereof. In particular, the Sub-Advisers are:
  - (a) Eaton Vance Management, a Massachusetts Business Trust and which is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940. Eaton Vance Management is also registered with the U.S. Commodity Futures Trading Commission as a commodity trading advisor under the Commodity Exchange Act. Eaton Vance Management’s permitted activities pursuant to such registrations include being able to advise on Contracts.
  - (b) Ivy Investment Management Company (a subsidiary of Waddell & Reed Financial, Inc.), a corporation organized under the laws of the State of Delaware, United States and which is registered with the SEC as an investment adviser under the U.S. Advisers Act. Ivy Investment Management Company is a commodity trading advisor under the Commodity Exchange Act but is exempt from registration with the U.S. Commodity Futures Trading Commission. As a commodity trading advisor, Ivy Investment Management Company is permitted to advise on Contracts.
  - (c) Mackenzie Investments Pte. Ltd., a wholly owned subsidiary of the Principal Sub-Adviser and a corporation organized under the laws of Singapore and which is in the process of being registered with the Monetary Authority of Singapore for a capital markets services license for fund management. Mackenzie Investments Pte. Ltd.’s permitted activities pursuant to its capital markets services license will include being able to advise on Contracts.
  - (d) RCM Asia Pacific Limited, a corporation organized under the laws of Hong Kong and which is licensed by The Securities and Futures Commission in Hong Kong to carry on portfolio management activities. RCM’s permitted activities pursuant to its license with The Securities and Futures Commission in Hong Kong to carry on portfolio management include being able to advise on Contracts.
  - (e) Setanta Asset Management Limited, a corporation organized under the laws of Ireland and which is regulated by the Central Bank of Ireland to provide the services of portfolio management and the reception and transmission of orders in relation to one or more financial instruments. Setanta’s permitted activities pursuant to its authority to provide the services of portfolio management and receive and transmit orders in relation to one or more financial instruments include being able to advise on Contracts.
5. None of the Sub-Advisers are registered in any capacity under the CFA and are not required to do so under the laws of their respective jurisdiction in order to engage in the Proposed Sub-Advisory Services (as defined below).
6. To the best of the knowledge of the Principal Adviser and the Sub-Advisers, none of the Principal Adviser or the Sub-Advisers, as the case may be, is in default of securities legislation of Ontario.
7. The Principal Adviser is the investment manager of and/or provides discretionary portfolio management services to (i) investment funds, the securities of which are qualified by prospectus for distribution to the public in Ontario and certain

other provinces and territories of Canada (the **Investment Funds**); (ii) pooled funds, the securities of which are sold on a private placement basis in Ontario and certain other provinces and territories of Canada pursuant to prospectus exemptions contained in National Instrument 45-106 *Prospectus and Registration Exemptions* (the **Exempt Funds**); (iii) managed accounts of clients who have entered into investment management agreements with the Principal Adviser (the **Managed Accounts**); and (iv) other Investment Funds, Exempt Funds and Managed Accounts that may be established in the future in respect of which the Principal Adviser engages a Sub Adviser to provide portfolio advisory services (the **Future Clients**) (where each of the Investment Funds, Exempt Funds, Managed Accounts and Future Clients are referred to individually as a **Client** and collectively as the **Clients**).

8. The portfolio management services provided by the Principal Adviser to its Clients will include acting as an adviser with respect to both securities and Contracts where such investments are part of the investment program of such Clients.
9. In connection with the Principal Adviser acting as an adviser to Clients in respect of the purchase or sale of Contracts, the Principal Adviser has retained or will retain, pursuant to a written agreement made between the Principal Adviser and each Sub Adviser, each Sub Adviser to act as a sub-adviser to the Principal Adviser by exercising discretionary authority on behalf of the Principal Adviser, in respect of all or a portion of the assets of the investment portfolio of the respective Client, which may include discretionary authority to buy or sell Contracts for the Client (the **Proposed Sub-Advisory Services**), provided that:
  - (a) in each case, the Contracts must be cleared through an "acceptable clearing corporation" (as defined in National Instrument 81-102 *Mutual Funds*, or any successor thereto (**NI 81-102**)) or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A of NI 81-102; and
  - (b) such investments are consistent with the investment objectives and strategies of the applicable Client.
10. The written agreement between the Principal Adviser and each Sub Adviser sets out or will set out the obligations and duties of each party in connection with the Sub Advisory Services and permits the Principal Adviser to exercise the degree of supervision and control it is required to exercise over the Sub Adviser in respect of the Sub Advisory Services.
11. In connection with the Proposed Sub-Advisory Services, the relationship among the Principal Adviser, the relevant Sub-Adviser and any Client shall satisfy the applicable requirements of the OSA Sub-Adviser Exemption, namely that:
  - (a) the obligations and duties of the relevant Sub-Adviser will be set out in a written agreement with the Principal Adviser;
  - (b) the Principal Adviser will contractually agree with the Client to be responsible for any loss that arises out of the failure of the relevant Sub-Adviser:
    - i. to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and the Client; or
    - ii. to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (i), the **Assumed Obligations**); and
  - (c) the Principal Adviser cannot be relieved by the Client from its responsibility for any loss that arises out of the failure of the relevant Sub-Adviser to meet the Assumed Obligations.
12. Mackenzie Investments Pte. Ltd. will not engage in any Proposed Sub-Advisory Services until registration with the Monetary Authority of Singapore for a capital markets services license for fund management has been granted.
13. The relevant Sub-Adviser and its Representatives shall only provide the Proposed Sub-Advisory Services as long as the Principal Adviser is, and remains, registered under the CFA as an adviser in the category of commodity trading manager.
14. The Principal Adviser will deliver to the Clients all applicable reports and statements under applicable securities, commodity futures and derivatives legislation.
15. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser (the **CFA Adviser Registration Requirement**). Under the CFA, "adviser" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to trading in Contracts.

16. By providing the Proposed Sub-Advisory Services, each Sub-Adviser and its Representatives will be engaging in, or holding himself, herself or itself out as engaging in, the business of advising others in respect of Contracts and, in the absence of being granted the requested relief, would be required to register as an adviser, or a representative of an adviser, as the case may be, under the CFA.
17. There is currently no exemption from the CFA Adviser Registration Requirement that is equivalent to the OSA Sub-Adviser Exemption. Consequently, in the absence of the Order, each Sub-Adviser would be required to satisfy the CFA Adviser Registration Requirement in order to carry out the Proposed Sub-Advisory Services.
18. The Principal Adviser and Sub-Advisers submit that it would not be prejudicial to the public interest for the Commission to make the Order because:
  - (a) the Principal Adviser seeks to access certain specialized portfolio management services provided by the Sub-Advisers, including advice as to trading in Contracts; and
  - (b) each Sub-Adviser would act as a sub-adviser to the Principal Adviser in respect of trading in Contracts on terms and conditions that are analogous to the prescribed terms and conditions of the OSA Sub-Adviser Exemption.
19. On March 18, 2008, the Commission granted the sub-advisers listed in the Previous Order an exemption from the CFA Adviser Registration Requirement when acting as an adviser for the Principal Adviser. The Previous Order is scheduled to expire on March 18, 2013.

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

**IT IS ORDERED**, pursuant to subsection 78(1) of the CFA, that the Previous Order is revoked; and

**IT IS FURTHER ORDERED** pursuant to section 80 of the CFA that each Sub-Adviser and its Representatives are exempt from the CFA Adviser Registration Requirement in respect of acting as a sub-adviser to the Principal Adviser in respect of trading in Contracts provided that:

- (a) the Principal Adviser is registered under the CFA as an adviser in the category of commodity trading manager;
- (b) each Sub-Adviser and its Representatives are appropriately registered or licensed to provide the Proposed Sub-Advisory Services to the Clients pursuant to the applicable legislation of their principal jurisdiction, or are entitled to rely on appropriate exemptions from such registrations or licenses;
- (c) the obligations and duties of each Sub-Adviser are set out in a written agreement with the Principal Adviser;
- (d) no Sub-Adviser shall act as a sub-adviser to the Principal Adviser unless the Principal Adviser has contractually agreed with each Client to be responsible for any loss that arises out of any failure of the relevant Sub-Adviser to meet the Assumed Obligations and cannot be relieved by any of its Clients from its responsibility for any loss that arises out of any failure of the relevant Sub-Adviser to meet the Assumed Obligations;
- (e) the prospectus or similar offering document for each Client for which the Principal Adviser engages the Sub-Adviser to provide the Proposed Sub-Advisory Services will include the following disclosure:
  - (i) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the relevant Sub-Adviser to meet the Assumed Obligations; and
  - (ii) a statement that there may be difficulty in enforcing any legal rights against the relevant Sub-Adviser (or any of its Representatives) because the relevant Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada;
- (f) In circumstances where a Client for which the Principal Adviser engages the Sub-Adviser to provide the Proposed Sub-Advisory Services does not prepare a prospectus or similar offering document for delivery to prospective purchasers, the Client and, if applicable, all investors of the Client who are Ontario residents will receive written disclosure prior to the purchasing of any Contracts for such Client that includes:
  - (i) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the relevant Sub-Adviser to meet the Assumed Obligations; and

- (ii) a statement that there may be difficulty in enforcing any legal rights against the relevant Sub-Adviser (or any of its Representatives) because the relevant Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada;
- (g) this Order shall expire five years after the date hereof.

March 8, 2013

“Sarah B. Kavanagh”  
Commissioner  
Ontario Securities Commission

“Paulette Kennedy”  
Commissioner  
Ontario Securities Commission

**2.2.10 State Street Global Advisors, Ltd. and SSgA Funds Management, Inc. – s. 80 of the CFA**

**Headnote**

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirements of subsection 22(1)(b) of the CFA granted to a sub-adviser not ordinarily resident in Ontario in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions – Relief mirrors exemption available in section 7.3 of OSC Rule 35-502 Non-Resident Advisers made under the Securities Act (Ontario).

**Applicable Legislative Provisions**

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 1(1), 22(1)(b), 80.  
Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(3).  
Ontario Securities Commission Rule 35-502 Non-Resident Advisers.

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

**AND**

**IN THE MATTER OF  
STATE STREET GLOBAL ADVISORS, LTD.**

**AND**

**SSgA FUNDS MANAGEMENT, INC.**

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

**UPON** the application (the **Application**) of State Street Global Advisors, Ltd. (the **Principal Adviser**) and SSgA Funds Management, Inc. (the **Sub-Adviser**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 80 of the CFA, that the Sub-Adviser, and any individual engaging in or holding himself or herself out as engaging in, the business of advising others as to trading in Contracts (as defined below) on the Sub-Adviser's behalf (the **Representatives**), be exempt, for a period of five years, 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 requirement in paragraph 22(1)(b) of the CFA that prohibits a person or company from engaging in, or holding himself, herself or itself as engaging in the business of, advising others as to trading in Contracts unless the person or company is registered in the appropriate category of registration under the CFA;

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

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

**“OSA”** means the *Securities Act* (Ontario);

**“OSA Adviser Registration Requirement”** means the requirement in subsection 25(3) of the OSA that prohibits a person or company from engaging in the business of, or holding himself, herself or itself out as engaging in the business of, advising anyone 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;

**“OSA Sub-Adviser Exemption”** means the exemption from the OSA Adviser Registration Requirement set out in section 7.3 of OSC Rule 35-502;

**“OSC Rule 35-502”** means Ontario Securities Commission Rule 35-502 *Non-Resident Advisers*;

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

“U.S. Advisers Act” means the United States *Investment Advisers Act of 1940*.

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

1. The Principal Adviser is a corporation incorporated under the laws of Canada with its head office located in Montreal, Quebec. The Principal Adviser and State Street Bank and Trust Company (**SSBTC**) are wholly owned subsidiaries of State Street Corporation.
2. The Principal Adviser is registered:
  - (a) under the CFA, as an adviser in the categories of “commodity trading counsel” and “commodity trading manager”; and
  - (b) under the OSA, as an adviser in the category of “portfolio manager”, as a dealer in the category of “exempt market dealer”, and as an investment fund manager.
3. To the best of their knowledge, neither the Principal Adviser nor the Sub-Adviser is in default of any requirement of the CFA or the regulations under the CFA, or any requirement of the OSA or the regulations under the OSA.
4. The Principal Adviser is registered as a portfolio manager and exempt market dealer under the securities legislation of all the other provinces and territories of Canada other than Ontario, and as an investment fund manager under the securities legislation of Québec and Newfoundland and Labrador. The Principal Adviser is also registered as a derivatives portfolio manager in Québec, and as a commodity trading counsel and commodity futures manager under the Commodity Futures Act (Manitoba).
5. The head office of the Sub-Adviser is in Boston, Massachusetts, U.S.A. The Sub-Adviser is registered as an Investment Adviser under the U.S. Advisers Act and as a Commodity Trading Adviser with the CFTC. The Sub-Adviser provides trading advice services in respect of futures, options on futures and swaps to its clients generally traded on a U.S. Exchange and/or with a U.S. counterparty to certain of its clients.
6. SSBTC, an affiliate of the Sub-Adviser, is a bank regulated in the conduct of its investment advisory business by the U.S. Federal Reserve Board and the Commonwealth of Massachusetts Commissioner of Banks, and is a bank within the meaning of the U.S. Advisers Act. As such, SSBTC is not subject to the U.S. Advisers Act as the definition of an “Investment Adviser” under the U.S. Advisers Act excludes “a bank, or any bank holding company as defined in the Bank Holding Act of 1956”. The head office of SSBTC is in Boston, Massachusetts, U.S.A.
7. SSBTC historically provided asset management services to certain institutional clients in both the U.S.A. and abroad. Following passage into law on July 2010 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, a decision was made to register the Sub-Adviser as a commodity trading adviser with the U.S. Commodity Futures Trading Commission and delegate all advice regarding futures, options on futures and swaps (as defined in the United States) from SSBTC to the Sub-Adviser. The personnel providing the advice did not change as a result of the regulatory administrative decision to register the Sub-Adviser and delegate the advice. Indeed, the personnel at SSBTC who provide advice relating to securities are the same as those at the Sub-Adviser who provide commodity trading advisory services.
8. SSBTC and the Sub-Adviser act as sub-advisers to the Principal Adviser in the provinces of Quebec and Ontario in respect of securities in reliance on the general exemption from registration granted by the Autorité des marchés financiers on December 18, 2009, with effect on December 28, 2009, and on section 7.3 of OSC Rule 35-502.
9. The Principal Adviser is the investment manager of and/or provides discretionary portfolio management services to segregated accounts and pooled funds.
10. The portfolio management services provided by the Principal Adviser to its clients include acting as an adviser with respect to both securities and Contracts where such investments are part of the investment program of such clients.
11. In connection with the Principal Adviser acting as an adviser to clients in respect of the purchase or sale of securities, the Principal Adviser has retained and will retain SSBTC to act as a sub-adviser to the Principal Adviser by exercising discretionary authority on behalf of the Principal Adviser, pursuant to written agreements made between the Principal Adviser and SSBTC.

12. In addition, where its discretionary services to Clients (as defined below) includes managing trading in Contracts for the Client through discretionary authority granted by the Client, the Principal Adviser will retain the Sub-Adviser to act as a sub-adviser to the Principal Adviser to manage such trading through discretionary authority granted by the Principal Adviser, pursuant to a written agreement made between the Principal Adviser and the Sub-Adviser (the **Proposed Sub-Advisory Services**).
13. In connection with the Proposed Sub-Advisory Services, the relationships between the Principal Adviser, the Sub-Adviser and each client of the Registrant on whose behalf the Proposed Sub-Advisory Services are to be provided (each, a Client) will satisfy the applicable requirements of the OSC Sub-Adviser Exemption, namely that:
  - (a) the obligations and duties of the Sub-Adviser will be set out in a written agreement with the Principal Adviser;
  - (b) the Principal Adviser contractually agrees with the Client to be responsible for any loss that arises out of the failure of the Sub-Adviser:
    - (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and the Client; or
    - (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (the **Assumed Obligations**); and
  - (c) the Principal Adviser cannot be relieved by the Clients from its responsibility for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations.
14. The Sub-Adviser and its Representatives shall only provide the Proposed Sub-Advisory Services as long as the Principal Adviser is, and remains, registered under the CFA as an adviser in the category of “commodity trading manager”.
15. Under the Proposed Sub-Advisory Services, the Principal Adviser will deliver to its Clients, on whose behalf the Proposed Advisory Services are to be provided, all applicable reports and statements under applicable securities, commodity futures and derivatives legislation.
16. Under the Proposed Sub-Advisory Services, a Client must obtain all advice and information and give all instructions and directions through the Principal Adviser and may meet with the Sub-Adviser only if the Principal Adviser is present at all times.
17. By providing the Proposed Sub-Advisory Services, the Sub-Adviser and its Representatives will be engaging in, or holding himself, herself or itself out as engaging in, the business of advising others in respect of Contracts and, in the absence of being granted the requested relief, would be required to register under the CFA.
18. The Principal Adviser submits that it would not be prejudicial to the public interest for the Commission to make the Order because:
  - (a) the Principal Adviser seeks to access certain specialized portfolio management services provided by the Sub-Adviser as to trading in Contracts; and
  - (b) the Sub-Adviser would act as a Sub-Adviser to the Principal Adviser in respect of trading in Contracts on terms and conditions that are analogous to the prescribed terms and conditions of the OSA Sub-Adviser Exemption.

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

**IT IS ORDERED**, pursuant to section 80 of the CFA, that the Sub-Adviser and its Representatives are exempt from the CFA Adviser Registration Requirement in respect of acting as a sub-adviser to the Principal Adviser as to trading in Contracts, under the Proposed Sub-Advisory Services, provided that:

- (a) the Principal Adviser is registered under the CFA as an adviser in the category of “commodity trading manager”;
- (b) the Sub-Adviser and its Representatives are appropriately registered or licensed to provide the Proposed Sub-Advisory Services to the Clients pursuant to the applicable legislation of the principal jurisdiction of the Sub-Adviser;



- (c) the obligations and duties of the Sub-Adviser are set out in a written agreement with the Principal Adviser;
- (d) the Sub-Adviser shall not act as a sub-adviser to the Principal Adviser unless the Principal Adviser has contractually agreed with each Client to be responsible for any loss that arises out of any failure of the Sub-Adviser to meet the Assumed Obligations and cannot be relieved by any of its Clients from its responsibility for any loss that arises out of any failure of the Sub-Adviser to meet the Assumed Obligations;
- (e) where a Client for which the Principal Adviser engages the Sub-Adviser to provide the Proposed Sub-Advisory Services offers its securities, any offering document of the Client will include the following disclosure:
  - (i) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and
  - (ii) a statement that there may be difficulty in enforcing any legal rights against the Sub-Adviser (or any of its Representatives) because the Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada;
- (f) where a Client for which the Principal Adviser engages the Sub-Adviser to provide the Proposed Sub-Advisory Services does not prepare an offering document for delivery to prospective purchasers of its securities, all investors of the Client who are residents of Ontario will have received prior written disclosure of the engagement that includes:
  - (i) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and
  - (ii) a statement that there may be difficulty in enforcing any legal rights against the Sub-Adviser (or any of its Representatives) because the Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada;
- (g) where the Principal Adviser engages the Sub-Adviser to provide the Proposed Sub-Advisory Services for a Client, the Client will receive prior written disclosure of the engagement that includes:
  - (i) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and
  - (ii) a statement that there may be difficulty in enforcing any legal rights against the Sub-Adviser (or any of its Representatives) because the Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada; and
- (h) this Order shall expire five years after the date hereof.

Dated at Toronto this 3rd day of May, 2013

“Anne Marie Ryan”  
Commissioner  
Ontario Securities Commission

“Sarah B. Kavanagh”  
Commissioner  
Ontario Securities Commission

This page intentionally left blank

## 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
MedX Health Corp.	06 May 13	17 May 13		
PharmaGap Inc.	06 May 13	17 May 13		
Magnum Hunter Resources Corporation	03 May 13	15 May 13		
Cleanfield Alternative Energy Inc.	03 May 13	15 May 13		
Acadian Energy Inc.	06 May 13	17 May 13		
Intellectual Capital Group Ltd.	06 May 13	17 May 13		
Galahad Metals Inc.	03 May 13	15 May 13		
Quantitative Alpha Trading Inc.	02 May 13	14 May 13		
Golden Moor Inc.	02 May 13	14 May 13		
GeoGlobal Resources Inc.	23 Apr 13	06 May 13	06 May 13	
Hudson River Minerals	02 May 13	14 May 13		

### 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
dynaCERT Inc.	07 May 13	17 May 13			

### 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
ProSep Inc.	17 Apr 13	29 Apr 13	29 Apr 13		
Northland Resources S.A.	05 Apr 13	17 Apr 13	17 Apr 13		
dynaCERT Inc.	07 May 13	17 May 13			

This page intentionally left blank

## Chapter 5

# Rules and Policies

---

---

### 5.1.1 Amendments to NI 41-101 General Prospectus Requirements

#### AMENDMENTS TO NATIONAL INSTRUMENT 41-101 *GENERAL PROSPECTUS REQUIREMENTS*

1. ***National Instrument 41-101 General Prospectus Requirements is amended by this Instrument.***
2. ***Section 1.1 is amended***
  - (a) ***by adding the following definition:***

“Form 41-101F3” means Form 41-101F3 *Information Required in a Scholarship Plan Prospectus* of this Instrument,;
  - (b) ***by replacing the definition of “long form prospectus” with the following:***

“long form prospectus” means a prospectus filed in the form of Form 41-101F1, Form 41-101F2 or Form 41-101F3, ***and***
  - (c) ***by adding the following definition:***

“plan summary” means a document prepared in accordance with the requirements of Part A of Form 41-101F3,.
3. ***Subsection 1.2(6) is amended by replacing “in Form 41-101F1 and Form 41-101F2,” with “in Form 41-101F1, Form 41-101F2 and Form 41-101F3,”.***
4. ***Section 3.1 is amended***
  - (a) ***in subsection (1) by replacing “subsection (2) and (3)” with “subsections (2), (2.1) and (3)”***
  - (b) ***in subsection (2) by adding “,other than a scholarship plan,” after “investment fund”, and***
  - (c) ***by adding the following subsection:***

(2.1) An issuer that is a scholarship plan filing a prospectus must file the prospectus in the form of Form 41-101F3..
5. ***The Instrument is amended by adding the following Part:***

#### PART 3A: Scholarship Plan Prospectus Requirements

##### Plain language and presentation

**3A.1(1)** A scholarship plan prospectus must be prepared using plain language and in a format that assists in readability and comprehension.

(2) A scholarship plan prospectus must

- (a) present all information briefly and concisely,
- (b) present the items listed in Parts A to D of Form 41-101F3 in the order set out in those parts,
- (c) use only the headings and sub-headings prescribed by Form 41-101F3 unless stated otherwise,
- (d) contain only information that is specifically mandated or permitted by Form 41-101F3, and

- (e) not incorporate by reference into the scholarship plan prospectus, information that is required to be included in a scholarship plan prospectus.

(3) A plan summary must

- (a) be prepared for each scholarship plan offered under a scholarship plan prospectus or multiple scholarship plan prospectus, and
- (b) not exceed 4 pages in length.

#### **Combinations of documents**

**3A.2(1)** Subject to subsection (2), a scholarship plan prospectus may be consolidated with one or more scholarship plan prospectuses to form a multiple scholarship plan prospectus.

(2) A scholarship plan prospectus must not be consolidated with one or more scholarship plan prospectuses to form a multiple scholarship plan prospectus unless the portions of each scholarship plan prospectus prepared in accordance with the requirements of Parts B and D of Form 41-101F3 are substantially similar.

#### **Order of contents of bound documents**

**3A.3** If documents are attached to, or bound with, a scholarship plan prospectus or multiple scholarship plan prospectus

- (a) the scholarship plan prospectus or multiple scholarship plan prospectus must be the first document contained in the package, and
- (b) no pages must come before the scholarship plan prospectus or multiple scholarship plan prospectus other than, at the option of the scholarship plan, a general front cover and table of contents pertaining to the entire package.

#### **Plan summary**

**3A.4(1)** Despite section 3A.3, a plan summary must not be attached to, or bound with, any other part of a scholarship plan prospectus, or to any other document, except as provided in this section.

(2) A plan summary of a scholarship plan may be attached to or bound with one or more plan summaries of other scholarship plans if the binding, to a reasonable person, would help present the information in a simple, accessible and comparable format.

#### **Documents to be delivered or sent upon request**

**3A.5(1)** On request by a person or company, a scholarship plan must deliver or send a copy of one or more the following documents free of charge to the person or company:

- (a) the scholarship plan prospectus or multiple scholarship plan prospectus;
- (b) any document incorporated by reference into the scholarship plan prospectus;
- (c) any portion of a document described in paragraph (a) or (b).

(2) A document requested under subsection (1) must be delivered or sent within 3 business days of receipt of the request..

**6. *Subsection 4.2(2) is amended by replacing “the form of Form of 41-101F2” with “the form of Form 41-101F2 or Form 41-101F3”.***

**7. *Paragraph 5.1(a) is amended by adding the following subparagraph:***

- (ii.1) section 9.1 of Part D of Form 41-101F3.

8. **Paragraph 5.1(b) is amended by adding the following subparagraph:**
- (ii.1) section 9.3 of Part D of Form 41-101F3.
9. **Section 6.1 is amended by adding the following subsection:**
- (3) Despite subsections (1) and (2), an amendment to a plan summary must be prepared in accordance with Part A of Form 41-101F3 without any further identification, and dated as of the date the plan summary is being amended.
10. **Paragraph 9.1(a) is amended by adding the following subparagraph:**
- (iv.1) if the issuer is a scholarship plan, in addition to the documents filed under subparagraph (iv), a copy of the scholarship plan contract for the scholarship plan under the prospectus;.
11. **Subparagraph 9.2(a)(iv) is amended by adding “or (iv.1)” after “subparagraph 9.1(a)(iv)”.**
12. **Section 15.1 is amended by deleting “, other than scholarship plans”.**
13. **Subsection 15.2(1) is replaced with the following:**
- (1) An investment fund must incorporate by reference into its long form prospectus, by means of a statement to that effect, the filed documents listed in
- (a) section 37.1 of Form 41-101F2 for investment funds other than scholarship plans, and
- (b) subsection 4.1(1) of Part B of Form 41-101F3 for scholarship plans..
14. **Subsection 15.2(3) is replaced with the following:**
- (3) An investment fund must incorporate by reference in its long form prospectus, by means of a statement to that effect, the subsequently filed documents referred to in
- (a) section 37.2 of Form 41-101F2 for investment funds other than scholarship plans, and
- (b) subsection 4.1(2) of Part B of Form 41-101F3 for scholarship plans..
15. **Subsection 17.1(2) is amended by replacing “Form 41-101F1 or Form 41-101F2, as applicable,” with “Form 41-101F1, Form 41-101F2 or Form 41-101F3, as applicable,”.**
16. **The General Instructions of Form 41-101F2 are amended by deleting the following sentence in General Instruction (7):**
- However, scholarship plans may make modifications to the disclosure items in order to reflect the special nature of their investment structure and distribution mechanism..*
17. **Subsection 1.3(1) of Item 1 of Form 41-101F2 is amended by deleting “, scholarship plan”.**
18. **Subsection 1.11(3) of Item 1 of Form 41-101F2 is amended by replacing “venture capital fund, commodity pool or scholarship plan,” with “venture capital fund or commodity pool,”.**
19. **Section 1.15 of Item 1 of Form 41-101F2 is amended by deleting “other than a scholarship plan,”.**
20. **Section 3.6 of Item 3 of Form 41-101F2 is amended**
- (i) **by deleting “[f]or scholarship plans, Fees and Expenses payable by Subscribers’ Deposits]” in the table to subsection (2), and**
- (ii) **by deleting “or by Subscribers’ Deposits (for scholarship plans)” in subsection (3).**
21. **Item 37 of Form 41-101F2 is amended by deleting “other than a scholarship plan,” in Section 37.1 and Section 37.2.**

22. *The Instrument is amended by adding the following form after Form 41-101F2:*

**FORM 41-101F3  
INFORMATION REQUIRED IN A SCHOLARSHIP PLAN PROSPECTUS**

**Table of Contents**

Part A – Plan Summary for a Scholarship Plan

- Item 1 – Information about the Plan
- Item 2 – Withdrawal and Cancellation Rights
- Item 3 – Description of the Scholarship Plan
- Item 4 – Suitability
- Item 5 – The Plan’s Investments
- Item 6 – Contributions
- Item 7 – Payments
- Item 8 – Risks
- Item 9 – Cancellation Rate
- Item 10 – Costs
- Item 11 – Guarantees
- Item 12 – For More Information

Part B – Detailed Plan Disclosure – General Information

- Item 1 – Cover Page Disclosure
  - 1.1 – Preliminary Prospectus Disclosure
  - 1.2 – Required Statement
  - 1.3 – Basic Disclosure about the Distribution
- Item 2 – Inside Cover Page
  - 2.1 – Introduction
  - 2.2 – No Social Insurance Number
  - 2.3 – Payments Not Guaranteed
  - 2.4 – Withdrawal and Cancellation Rights
- Item 3 – Table of Contents
  - 3.1 – Table of Contents
- Item 4 – Introduction and Glossary
  - 4.1 – Introduction and Documents Incorporated by Reference
  - 4.2 – Terms Used in the Prospectus
- Item 5 – Overview of Scholarship Plans
  - 5.1 – Introductory Heading
  - 5.2 – Description of Scholarship Plans
  - 5.3 – List of Scholarship Plans Offered
- Item 6 – General Information about Scholarship Plan Life Cycle
  - 6.1 – Overview of Scholarship Plan Life Cycle
  - 6.2 – Enrolling in a Scholarship Plan
  - 6.3 – Unregistered Accounts
  - 6.4 – Government Grants
  - 6.5 – Contribution Limits
  - 6.6 – Additional Services
  - 6.7 – Fees and Expenses
  - 6.8 – Eligible Studies
  - 6.9 – Payments from the Scholarship Plan
  - 6.10 – Unclaimed Accounts
- Item 7 – Scholarship Plans with Same Investment Objectives (Multiple Prospectus)
  - 7.1 – Investment Objectives
- Item 8 – Scholarship Plans with Same Investment Strategies (Multiple Prospectus)
  - 8.1 – Investment Strategies
- Item 9 – Scholarship Plans with Same Investment Restrictions (Multiple Prospectus)
  - 9.1 – Investment Restrictions
- Item 10 – Risks of Investing in a Scholarship Plan
  - 10.1 – Risks of Investing in a Scholarship Plan



- Item 11 – Income Tax Considerations
  - 11.1 – Status of the Scholarship Plan
  - 11.2 – Taxation of the Scholarship Plan
  - 11.3 – Taxation of the Subscriber
  - 11.4 – Taxation of the Beneficiary
- Item 12 – Organization and Management Details of the Scholarship Plan
  - 12.1 – Organization and Management Details
- Item 13 – Statement of Rights
  - 13.1 – Statement of Rights
- Item 14 – Other Material Information
  - 14.1 – Other Material Information
- Item 15 – Back Cover
  - 15.1 – Back Cover

Part C – Detailed Plan Disclosure – Plan-Specific Information

- Item 1 – General
- Item 2 – Introductory Disclosure
  - 2.1 – For a Single Prospectus
  - 2.2 – For a Multiple Prospectus
- Item 3 – Plan Description
  - 3.1 – Plan Description
- Item 4 – Eligibility and Suitability
  - 4.1 – Eligibility and Suitability
- Item 5 – Beneficiary Group
  - 5.1 – Beneficiary Group
- Item 6 – Eligible Studies
  - 6.1 – Summary of Eligible Studies
  - 6.2 – Description of Eligible Programs
  - 6.3 – Description of Ineligible Programs
- Item 7 – Investment Objectives
  - 7.1 – Investment Objectives
- Item 8 – Investment Strategies
  - 8.1 – Investment Strategies
- Item 9 – Investment Restrictions
  - 9.1 – Investment Restrictions
- Item 10 – Plan-Specific Risks
  - 10.1 – Plan Risks
  - 10.2 – Investment Risks
- Item 11 – Annual Returns
  - 11.1 – Annual Returns
- Item 12 – Contributions
  - 12.1 – Making Contributions
  - 12.2 – Missing Contributions
- Item 13 – Withdrawing Contributions
  - 13.1 – Withdrawing Contributions
- Item 14 – Fees and Expenses
  - 14.1 – Costs of Investing in the Scholarship Plan
  - 14.2 – Fees Payable by Subscriber from Contributions
  - 14.3 – Fees Payable by the Scholarship Plan
  - 14.4 – Transaction Fees
  - 14.5 – Fees for Additional Services
  - 14.6 – Refund of Sales Charges and Other Fees
- Item 15 – Making Changes to a Subscriber's Plan
  - 15.1 – Changing Contributions
  - 15.2 – Changing Maturity Date
  - 15.3 – Changing Year of Eligibility
  - 15.4 – Changing Subscriber
  - 15.5 – Changing Beneficiary
  - 15.6 – Death or Disability of Beneficiary
- Item 16 – Transfer of Scholarship Plan
  - 16.1 – Transferring to another plan managed by the investment fund manager
  - 16.2 – Transferring to another RESP Provider
  - 16.3 – Transferring from another RESP Provider to the Scholarship Plan

- Item 17 – Default, Withdrawal or Cancellation
  - 17.1 – Withdrawal or Cancellation by Subscriber
  - 17.2 – Subscriber Default
  - 17.3 – Cancellation by Investment Fund Manager
  - 17.4 – Re-activation of Subscriber's Plan
  - 17.5 – Plan Expiration
- Item 18 – Plan Maturity
  - 18.1 – Description of Plan Maturity
  - 18.2 – If the Beneficiary Does Not Enrol in Eligible Studies
- Item 19 – Payments from the Scholarship Plan
  - 19.1 – Return of Contributions
  - 19.2 – Payments to Beneficiaries
  - 19.3 – Amount of EAPs
  - 19.4 – Payments from the EAP Account
  - 19.5 – If Beneficiary Does Not Complete or Advance in Eligible Studies
- Item 20 – Accumulated Income Payments
  - 20.1 – Accumulated Income Payments
- Item 21 – Discretionary Payments to Beneficiaries
  - 21.1 – Discretionary Payments to Beneficiaries
  - 21.2 – Historical Amount of Discretionary Payments
- Item 22 – Attrition
  - 22.1 – Attrition
  - 22.2 – Pre-Maturity Attrition
  - 22.3 – Post-Maturity Attrition
- Item 23 – Other Material Information
  - 23.1 – Other Material Information

Part D – Detailed Plan Disclosure – Information about the Organization

- Item 1 – Legal Structure of the Scholarship Plan
  - 1.1 – Legal Structure
- Item 2 – Organization and Management Details
  - 2.1 – Directors and Officers of the Plan
  - 2.2 – Investment Fund Manager
  - 2.3 – Trustee
  - 2.4 – The Foundation
  - 2.5 – Independent Review Committee
  - 2.6 – Other Groups
  - 2.7 – Remuneration of Directors, Officers, Trustees and Independent Review Committee Members
  - 2.8 – Portfolio Adviser
  - 2.9 – Principal Distributor
  - 2.10 – Dealer Compensation
  - 2.11 – Custodian
  - 2.12 – Auditor
  - 2.13 – Transfer Agent and Registrar
  - 2.14 – Promoter
  - 2.15 – Other Service Providers
  - 2.16 – Ownership of the Investment Fund Manager and Other Service Providers
  - 2.17 – Affiliates of the Investment Fund Manager
- Item 3 – Experts
  - 3.1 – Names of Experts
  - 3.2 – Interests of Experts
- Item 4 – Subscriber Matters
  - 4.1 – Subscriber Matters
  - 4.2 – Matters Requiring Subscriber Approval
  - 4.3 – Amendments to Declaration of Trust
  - 4.4 – Reporting to Subscribers and Beneficiaries
- Item 5 – Business Practices
  - 5.1 – Policies
  - 5.2 – Brokerage Arrangements
  - 5.3 – Valuation of Portfolio Investments
  - 5.4 – Proxy Voting Disclosure for Portfolio Securities Held

- Item 6 – Conflicts of Interest
  - 6.1 – Conflicts of Interest
  - 6.2 – Interests of Management and Others in Material Transactions
- Item 7 – Material Contracts
  - 7.1 – Material Contracts
- Item 8 – Legal Matters
  - 8.1 – Exemptions and Approvals
  - 8.2 – Legal and Administrative Proceedings
- Item 9 – Certificates
  - 9.1 – Certificate of the Scholarship Plan
  - 9.2 – Certificate of the Investment Fund Manager
  - 9.3 – Certificate of the Principal Distributor
  - 9.4 – Certificate of the Promoter
  - 9.5 – Amendments

**General Instructions**

*(1) This Form describes the disclosure required in a scholarship plan prospectus. Each Item of this Form outlines disclosure requirements. Instructions as to how to complete this Form are printed in italic type.*

*(2) The objective of the scholarship plan prospectus is to provide information about the scholarship plan that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed.*

*(3) Terms defined in National Instrument 14-101 Definitions, National Instrument 41-101 General Prospectus Requirements, National Instrument 81-105 Mutual Fund Sales Practices, National Instrument 81-106 Investment Fund Continuous Disclosure or National Instrument 81-107 Independent Review Committee for Investment Funds and used in this Form have the same meanings that they have in those national instruments except that references in those instruments to “mutual fund” must be read as references to “investment fund” or “scholarship plan” as the context requires.*

*(4) A scholarship plan prospectus must contain only the information that is mandated or permitted under this Form.*

*(5) A scholarship plan prospectus must present the information in each Part of this Form briefly and concisely, in the order provided for by this Form, and use only the headings and sub-headings stipulated in this Form except that sub-headings not required by this Form may be used where permitted under an Item in this Form.*

*(6) Specific instructions are sometimes provided in this Form for a single prospectus and a multiple prospectus. Portions of Part B and Part D of this Form generally refer to disclosure required for “a scholarship plan” in a “prospectus”. This disclosure must be modified as appropriate to reflect multiple scholarship plans covered by a multiple prospectus.*

*(7) National Instrument 41-101 requires that a prospectus be prepared using plain language and in a format that assists in readability and comprehension. For additional guidance, see the plain language principles listed in section 4.1 of Companion Policy 41-101 CP General Prospectus Requirements. If the use of technical terms is required, clear and concise explanations of those terms must be included.*

*(8) Respond as simply and directly to the requirements of this Form as is reasonably possible.*

*(9) No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*

*(10) Certain Items in this Form require that a prospectus include wording that is the same or substantially the same as set out in those Items. A scholarship plan may modify the prescribed wording to more accurately reflect its features if the wording does not apply to the plan.*

*(11) Unless otherwise stated, this Form does not mandate the use of a specific font size or style but the font used must be legible. If the prospectus is made available online, information must be presented in a way that is both readable online and can be printed in a readable format.*

*(12) A prospectus may contain photographs and artwork only if they are relevant to the business of the scholarship plan or members of the organization of the scholarship plan and are not misleading.*

(13) A prospectus must not contain design elements (e.g., graphics, photos, artwork) that would, to a reasonable person, detract from the information disclosed in the document.

(14) If disclosure is required as of a specific date and there has been a material change or a change that is otherwise significant to a reasonable investor to the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change.

**Contents of a Scholarship Plan Prospectus**

(15) This Form permits two formats: a prospectus for a single scholarship plan and a multiple prospectus for multiple scholarship plans.

(16) A scholarship plan prospectus must consist of four parts as set out below. Part A is the Plan Summary. Parts B, C and D are collectively the Detailed Plan Disclosure. The Plan Summary and the Detailed Plan Disclosure together form the scholarship plan prospectus. The four parts may be further described as follows:

- (a) Part A contains the responses to the Items in Part A of this Form. The information in this Part contains a summary of key information about investing in a scholarship plan.
- (b) Part B contains the responses to the Items in Part B of this Form and contains introductory information about the scholarship plan and general information about the scholarship plan family.
- (c) Part C contains the responses to the Items in Part C of the Form and contains plan-specific information about the scholarship plan(s) offered in the prospectus.
- (d) Part D contains the responses to the Items in Part D of this Form and contains information about the scholarship plan organization, the persons and entities involved in running the scholarship plan, and the prospectus certificates.

**Consolidation of Scholarship Plan Prospectuses into a Multiple Prospectus**

(17) Section 3A.2 of National Instrument 41-101 requires that a scholarship plan prospectus must not be consolidated with one or more scholarship plan prospectuses to form a multiple prospectus unless the disclosure in each of the Part B and Part D sections of this Form is substantially similar for each scholarship plan. This provision permits a scholarship plan organization to create a document that contains the disclosure for a number of scholarship plans in the same family.

(18) Similar to a single prospectus, a multiple prospectus must consist of four segments:

- (a) The first segment consists of a number of Part A sections of this Form. Each Part A section must contain the information required under Part A of this Form about a single scholarship plan. The information required by the Part A section must be disclosed separately for each scholarship plan in the multiple prospectus. Each Part A section in a multiple prospectus must start on a new page.
- (b) The second segment contains the information required under Part B of this Form for the scholarship plans described in the document. There must not be more than one Part B section for all of the scholarship plans in the prospectus.
- (c) The third segment consists of a number of Part C sections of this Form. Each Part C section must contain the information required under Part C of this Form about a single scholarship plan. The information required by the Part C section must be disclosed separately for each scholarship plan in the multiple prospectus. Each Part C section in a multiple prospectus must start on a new page.
- (d) The fourth segment contains the information required under Part D of the Form for the scholarship plans described in the document. There must not be more than one Part D section for all of the scholarship plans in the prospectus.

**Part A – Plan Summary for a Scholarship Plan**

**Item 1 – Information about the Plan**

Include at the top of a new page a heading consisting of

- (a) the title “Plan Summary”,

- (b) the name of the scholarship plan to which the Plan Summary pertains and, if the scholarship plan has more than one class or series of securities, the name of the class or series of securities covered in the Plan Summary,
- (c) the type of scholarship plan,
- (d) the name of the investment fund manager of the scholarship plan, and
- (e) the date of the Plan Summary.

**INSTRUCTIONS**

(1) The title “Plan Summary” and the name of the scholarship plan must be in bold type using a substantially larger font size than the other headings and text in the Plan Summary.

(2) The “type of scholarship plan” refers to whether the scholarship plan is a group scholarship plan, individual or family scholarship plan.

(3) The date for a Plan Summary that is filed as part of a preliminary scholarship plan prospectus or scholarship plan prospectus must be the date of the certificate of the scholarship plan required under Part D of this Form.

**Item 2 – Withdrawal and Cancellation Rights**

Immediately following the disclosure in Item 1, state the following using the same or substantially similar wording, with the last two sentences in bold type:

This summary tells you some key things about investing in the plan. You should read this Plan Summary and the Detailed Plan Disclosure carefully before you decide to invest.

**If you change your mind**

You have up to 60 days after signing your contract to withdraw from your plan and get back all of your money.

If you (or we) cancel your plan after 60 days, you’ll get back your contributions, less sales charges and fees. You will lose the earnings on your money. Your government grants will be returned to the government. **Keep in mind that you pay sales charges up front. If you cancel your plan in the first few years, you could end up with much less than you put in.**

**INSTRUCTION**

The prescribed wording in this Item must be presented using a substantially larger font size relative to the rest of the text of the Plan Summary.

**Item 3 – Description of the Scholarship Plan**

(1) Under the heading “What is the [insert type of scholarship plan] scholarship plan?”, state the following using the same or substantially similar wording:

The [insert name of plan] is a [insert type of plan] scholarship plan designed to help you save for a child’s post-secondary education. When you open your [insert name of plan], we will apply to the Canada Revenue Agency to register the plan as a Registered Education Savings Plan (RESP). This allows your savings to grow tax-free until the child named as the beneficiary of the plan enrolls in their studies. The Government of Canada and some provincial governments offer government grants to help you save even more. To register your plan as an RESP, we need social insurance numbers for yourself and the child you name in the plan as the beneficiary.

In a [insert type of plan] scholarship plan, you are part of a group of investors. Everyone’s contributions are invested together. When the plan matures, each child in the group shares in the earnings on that money. Your share of those earnings plus your government grant money is paid to your child as educational assistance payments (EAPs).

There are two main exceptions. Your child will not receive EAPs, and you could lose your earnings, government grants and grant contribution room, if:

- your child does not enrol in a school or program that qualifies under this plan, or
- you leave the plan before it matures.

(2) For a group scholarship plan, state the following using the same or substantially similar wording, in bold type:

**If you leave the plan, your earnings go to the remaining members of the group. However, if you stay in the plan until it matures, you might share in the earnings of those who left early.**

*INSTRUCTION*

*If the scholarship plan allows a subscriber to name more than one beneficiary at a time, amend the wording in section (1) to refer to multiple children or beneficiaries.*

**Item 4 – Suitability**

(1) For a group scholarship plan, under the heading “Who is this plan for?”, state the following using the same or substantially similar wording:

A group scholarship plan can be a long-term commitment. It is for investors planning to save for a child’s post-secondary education and who are fairly sure that:

- they can make all their contributions on time
- they will stay in the plan until it matures
- their child will attend a qualifying school and program under the plan

*[Insert, for plan providers that also offer an individual or family scholarship plan – If this doesn’t describe you, you should consider another type of plan. For example, an individual or family plan has fewer restrictions. See the Plan Summary[lies] for our [insert as applicable – individual plan/family plan/ individual and family plans] or pages [insert applicable page references] in the Detailed Plan Disclosure for more information.]*

(2) For an individual or family scholarship plan, under the heading “Who is this plan for?”, state the following using the same or substantially similar wording:

*[Insert, as applicable – An individual/ A family] scholarship plan is for investors planning to save for a child’s post-secondary education and who are fairly sure that:*

- *[Insert, for family plans only – they want to save for more than one child at a time]*
- they want more flexibility over when and how much to contribute to their plan
- *[Insert, for individual plans only – their child will attend a qualifying school and program under the plan]*
- *[Insert, for family plans only – one or more of their children will attend a qualifying school or program under the plan]*

*[Insert, for plan providers that also offer a group scholarship plan – The [insert name of plan] generally has fewer restrictions and is more flexible than our group scholarship plan.]*

**Item 5 – The Plan’s Investments**

Under the heading “What does the plan invest in?”, state the following using the same or substantially similar wording:

The plan invests mainly in *[specify the plan’s primary investments]*. The plan’s investments have some risk. Returns will vary from year to year.

*INSTRUCTION*

*The disclosure must state the type or types of securities, such as mortgages, bonds, government treasury bills, or equity securities, as applicable, in which the plan will be primarily invested under normal market conditions.*

**Item 6 – Contributions**

(1) For a group scholarship plan, under the heading “How do I make contributions?”, state the following using the same or substantially similar wording:

With your contributions, you buy one or more “units” of the plan. These units represent your share of the plan. You may pay for them all at once, or you may make *[state the most common contribution frequency options]* contributions.

You may change the amount of your contribution as long as you make the minimum contribution permitted under the plan. You may also change your contribution schedule after you've opened your plan. *[Insert if applicable – A fee applies.]* All of the different contribution options for the plan are described in the Detailed Plan Disclosure, or you can ask your sales representative for more information.

(2) For an individual or family scholarship plan, under the heading "How do I make contributions?", briefly describe how a subscriber can make contributions to their scholarship plan.

(3) State (i) the minimum total investment and (ii) the minimum amount per contribution, permitted under the scholarship plan's rules.

**INSTRUCTIONS**

(1) *The disclosure regarding contribution frequency options in the first paragraph of subsection (1) of Item 6 must make reference only to the most commonly selected contribution options, and not to each contribution option that is available to a subscriber.*

(2) *If the individual or family scholarship plan uses the concept of "units" or has prescribed schedules for making contributions, this fact must be described in the required disclosure for subsection (2) of Item 6, using wording that is similar to the wording in subsection (1) of Item 6.*

(3) *For the purposes of the disclosure required under subsection (3) of Item 6, the "minimum total investment permitted under the scholarship plan's rules" must be stated as (i) a dollar amount or (ii) a quantity of units or securities of the scholarship plan (if applicable), and the "minimum amount per contribution under the plan's rules" must be stated as a dollar amount.*

**Item 7 – Payments**

(1) Under the heading "What can I expect to receive from the plan?", state the following using the same or substantially similar wording:

In your child's first year of college or university, you'll get back your contributions, less fees. You can have this money paid to you or directly to your child.

(2) For a group scholarship plan, state the following using the same or substantially similar wording:

Your child will be eligible to receive EAPs in their *[state, as applicable – first, second, third and fourth]* year[s] of post-secondary education. *[See instruction (1)]* For each year, your child must show proof they are enrolled in a school and program that qualifies under this plan to get an EAP.

(3) For an individual or family scholarship plan, briefly describe when EAPs can be paid to a beneficiary, and whether EAPs can be paid in one year or must be paid in instalments for each year of eligible studies.

(4) State the following, in a separate paragraph:

EAPs are taxed in the child's hands.

**INSTRUCTIONS**

(1) *If the group scholarship plan has multiple options for paying EAPs, disclose the other options in the disclosure in subsection (2) of Item 7, using a similar format.*

(2) *For the disclosure in subsection (3) of Item 7, the format set out for the disclosure in section (2) must be used.*

**Item 8 – Risks**

(1) Under the heading "What are the risks?", state the following using the same or substantially similar wording:

If you do not meet the terms of the plan, you could lose some or all of your investment. Your child may not receive their EAPs.

(2) For a group scholarship plan, state the following using the same or substantially similar wording:

You should be aware of five things that could result in a loss:

1. **You leave the plan before the maturity date.** People leave the plan for many reasons. For example, if their financial situation changes and they can't afford their contributions. If your plan is cancelled more than 60 days from signing your contract, you'll lose part of your contributions to sales charges and fees. You'll also lose the earnings on your investment and your government grants will be returned to the government.
2. **You miss contributions.** If you want to stay in the plan, you'll have to make up the contributions you missed. You'll also have to make up what the contributions would have earned if you had made them on time. This could be costly.

If you have difficulty making contributions, you have options. You can reduce or suspend your contributions, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options will result in a loss of earnings and government grants. *[Insert if applicable – If you miss a contribution and don't take any action within [insert the number of months] months, we may cancel your plan].*

3. **You miss or your child misses a deadline.** This can limit your options later on. You could also lose the earnings on your investment. Two of the key deadlines for this plan are:
  - **Maturity date – the deadline for making changes to your plan**  
You have until the maturity date to make changes to your plan. This includes switching the plan to a different child, changing the maturity date if your child wants to start their program sooner or later than expected, and transferring to another RESP. Restrictions and fees apply.
  - **[Insert date] – the EAP application deadline**  
If your child qualifies for an EAP, he or she must apply by *[insert date]* before each year of eligible studies to receive a payment for that year. Otherwise, your child may lose this money.
4. **Your child doesn't go to a qualifying school or program.** For example, *[State the types of programs or institutions that generally do not qualify for EAPs under the plan]* don't qualify for EAPs under this plan. *[Insert, if applicable – Under this plan, fewer programs will qualify for an EAP than would otherwise qualify under the government's rules for RESPs. See the Detailed Plan Disclosure for more information.]* If your child will not be going to a qualifying school or program under this plan, you have the option to name another child as beneficiary, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options can result in a loss of earnings and government grants.
5. **Your child doesn't complete their program.** Your child may lose some or all of their EAPs if he or she takes time off from their studies, does not complete all required courses in a year or changes programs. *[Insert if applicable – In some cases, your child may be able to defer an EAP for up to [insert number of years] year[s]]. [Insert, if applicable – Deferrals are at our discretion.]*

(3) For an individual or family scholarship plan, list no more than 5 situations that could result in a loss of earnings in the scholarship plan for subscribers or EAPs for the beneficiary. Briefly describe the losses that could result in these outcomes as well as some options to mitigate this loss.

(4) State the following, in bold type:

**If any of these situations arise with your plan, contact us or speak with your sales representative to better understand your options to reduce your risk of loss.**

#### INSTRUCTIONS

(1) For an individual or family scholarship plan, the disclosure required in subsection (3) of Item 8 must include the following situations: a subscriber leaving a scholarship plan before it matures, a beneficiary failing to enrol in a qualifying school or program, and the subscriber or beneficiary failing to meet the scholarship plan's key deadlines.

(2) If the individual or family scholarship plan uses the concept of units paid for under a fixed contribution schedule, or otherwise requires subscribers to follow a prescribed schedule for making contributions to the scholarship plan, the disclosure required in subsection (3) of Item 8 must also include a situation in which a subscriber misses one or more contributions.



(3) The disclosure in subsection (3) of Item 8 must use a similar format and structure as the disclosure required for group scholarship plans in section (2).

### Item 9 – Cancellation Rate

For a group scholarship plan, using the margin of the page, add a sidebar under the heading “What are the risks?”, and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

#### **Cancellation Rate**

Of the last five beneficiary groups of the [insert name of group scholarship plan] plan to reach maturity, an average of [see the Instructions]% of the plans in each group were cancelled before their maturity date.

#### **INSTRUCTIONS**

(1) To calculate the average percentage as required under Item 9, do the following:

- (a) for each of the last five beneficiary groups in the group scholarship plan to reach maturity, calculate the percentage of scholarship plans in the beneficiary group that were cancelled before their maturity date, and
- (b) calculate the simple average of the five percentages calculated pursuant to Instruction 1(a).

(2) For a beneficiary group referred to in Instruction (1)(a), calculate the percentage of the scholarship plans in each beneficiary group that were cancelled before their maturity date by dividing  $x$  by  $y$ , where

$x$  = the number of scholarship plans with the same maturity date that were cancelled before maturity, and

$y$  = the total number of scholarship plans with the same maturity date, including plans with the same maturity date that were cancelled before maturity.

(3) For the purposes of the disclosure required under Item 9, a “plan that was cancelled before maturity” is a scholarship plan that is not eligible to receive a share of the EAP account as at the maturity date because the total contributions required by the subscriber’s contract have not been made by the maturity date. The number of scholarship plans with the same maturity date that did not reach maturity will be the difference between the total number of scholarship plans with the same maturity date and the number of scholarship plans that matured.

(4) Subject to Instruction (6), the number of scholarship plans with the same maturity date consists of every scholarship plan sold to subscribers who selected the same maturity date, including scholarship plans that were cancelled or transferred before maturity.

(5) For the purposes of calculating the percentage of scholarship plans in a beneficiary group that were cancelled before maturity, a scholarship plan whose subscriber changed the maturity date to an earlier date is considered to have the earlier maturity date and must be included in the calculations for the beneficiary group with the earlier maturity date. Similarly, a scholarship plan whose subscriber changed the maturity date to a later date is considered to have the later maturity date and must be included in the calculations for the beneficiary group with the later maturity date.

(6) Do not include a plan in the calculation of  $x$  or  $y$  under Instruction (2) if the subscriber withdrew from their scholarship plan within 60 days of the signing the contract to open the scholarship plan and received back all of their contributions and fees paid.

### Item 10 – Costs

(1) Under the heading “How much does it cost?”, provide information, in the form of the following tables, about the fees and expenses of the scholarship plan. Introduce the tables using the following wording or wording that is the same or substantially similar:

There are costs for joining and participating in the plan. The following tables show the fees and expenses of the plan. [Insert, if applicable – The fees and expenses of this plan are different than the other plans we offer.]

#### **Fees you pay**

These fees are deducted from the money you put in the plan. They reduce the amount that gets invested in your plan, which will reduce the amount available for EAPs.

Fee	What you pay	What the fee is for	Who the fee is paid to
Sales charge	[Specify amount]	This is the commission for selling your plan	[Insert name of entity]
Account maintenance fee	[Specify amount]	[Specify the purpose of the fee]	[Insert name of entity]
[Insert if applicable - Insurance Premium]	[Specify amount]	This is for insurance that makes sure your contributions continue if you die or become totally disabled.	[Insert name of entity]

**Fees the plan pays**

You don't pay these fees directly. They're paid from the plan's earnings. These fees affect you because they reduce the plan's returns, which reduces the amount available for EAPs.

Fee	What the plan pays	What the fee is for	Who the fee is paid to
Administrative fee	[Specify amount]	This is for operating your plan.	[insert name of entity]
Portfolio management fee	[Specify amount]	This is for managing the plan's investments.	[insert name of entity]
Custodian fee	[Specify amount]	This is for holding the plan's investments in trust.	[Insert name of entity]
Independent review committee	[Specify amount]	This is for the services of the plan's independent review committee. The committee reviews conflict of interest matters between the investment fund manager and the plan.	[Insert name of entity]

(2) If the sales charge listed in the "Fees you pay" table required by subsection (1) is deducted from contributions at a higher rate in the early period of participating in the scholarship plan, add a sidebar under the heading "How much does it cost", using the margin of the page adjacent to the table titled "Fees you pay", and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

**Paying off the sales charge**

If, for example, you buy one unit of the plan on behalf of your newborn child, and you commit to paying for that unit by making monthly contributions until your plan's maturity date, then, based on how the sales charge is deducted from your contributions, it will take [insert number of months] months to pay off the sales charge. During this time, [insert percentage]% of your contributions will be invested in the plan.

(3) Using the margin of the page adjacent to the table titled "Fees the plan pays", add a sidebar under the heading "How much does it cost?", and state the following using the same or substantially similar wording with the title of the sidebar in bold:

**Other fees**

Other fees apply if you make changes to your plan. See page [specify page number] in the Detailed Plan Disclosure for details.

**INSTRUCTIONS**

(1) The tables must only summarize the most common fees that (i) all subscribers to the scholarship plan are required to pay or (ii) the scholarship plan is required to pay, as applicable. Do not include the entire list of fees required to be disclosed under

Items 14.2 and 14.3 of Part C of the Form, or any of the fees required to be disclosed under Item 14.4 and 14.5 of Part C of the Form. Each fee must be listed in a separate row of the applicable table.

(2) If there are certain types of fees listed in the tables required under Item 10 above that are not payable, either by subscribers or the scholarship plan, in respect of the scholarship plan described in the Plan Summary, amend the tables as is necessary to reflect that fact.

(3) If certain fees listed in the tables required under Item 10 above are normally combined into a single fee payable by either the subscriber or the scholarship plan as applicable, the tables may be amended as is necessary to accurately reflect that fact.

(4) State the amount of each fee listed in the tables. In the table titled "Fees you pay" state the amount(s) in the column titled "What you pay". In the table titled "Fees the plan pays" state the amount(s) in the column titled "What the plan pays". The amount of each fee must be disclosed based on how the fee is calculated. For example, if a particular fee is calculated as a fixed dollar amount per unit, or a fixed amount per year, it must be stated as such. Similarly, if a fee is calculated as a percentage of the scholarship plan's assets, that percentage must be stated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.

(5) For a group scholarship plan or other type of scholarship plan that normally calculates the sales charge payable as a fixed dollar amount linked to the amount of contribution by a subscriber (i.e. x.x x\$ per unit), in addition to stating the fixed amount of sales charge per unit as required under Instruction (3), the disclosure of the amount of the sales charge in the table titled "Fees you pay" in the column titled "What you pay" must also be expressed as a percentage of the cost of a unit of the scholarship plan. If the total cost of a unit of the scholarship plan varies depending on the contribution option or frequency selected, the percentage sales charge must be expressed as a range, between the lowest and the highest percentage of the unit cost the sales charge can represent, based on the different contribution options available to subscribers under the scholarship plan. This must be calculated as follows: (i) divide the sales charge per unit by the contribution option that has the highest total cost per unit, and (ii) divide the sales charge per unit by the contribution option that has the lowest total cost per unit. For example, if a scholarship plan calculates its sales charge as \$200/unit, and the total cost per unit for a subscriber can range from \$1000 to \$5000 (based on the different options available to subscribers), the percentage range of the sales charge disclosed in the table would be 4% (200/5000) to 20% (200/1000). The disclosure in the table must also state that the exact percentage of the sales charge per unit for a subscriber will depend on the contribution option selected for contributing to the scholarship plan and how old their beneficiary is at the time they open the scholarship plan.

(6) For the table titled "Fees you pay", in the column titled "What you pay" describe how the fee is deducted from contributions if the amount deducted from each contribution is not the same. For example, if deductions for sales charges are not made from each contribution at a constant rate for the duration of a subscriber's investment in the scholarship plan or the duration for which contributions are required to be made if it is less than the scholarship plan's duration, describe the amounts from contributions that are deducted for sales charges.

(7) In both tables, in the column titled "What the fee is for" provide a concise explanation of what the fee is used for, using the same or substantially similar wording provided above in the tables.

(8) In both tables, in the column titled "Who the fee is paid to", state the name of the entity to which the fee is paid, e.g. the investment fund manager, the portfolio manager, the principal distributor or dealer, the foundation, etc.

(9) For the table titled "Fees the plan pays", the independent review committee fee must be disclosed as the total dollar amount paid in connection with the independent review committee for the most recently completed financial year of the scholarship plan.

(10) Disclosure of insurance premiums in the "Fees you pay" table is permitted only if the scholarship plan requires a subscriber to purchase insurance coverage in a jurisdiction in which the scholarship plan's securities are being distributed. If the scholarship plan's rules only require insurance coverage to be purchased by subscribers in some, but not all jurisdictions in which the scholarship plan's securities are distributed, then include disclosure stating the jurisdictions in which the scholarship plan requires subscribers to purchase insurance, under the heading titled "What the fee is for" in that table.

(11) The disclosure required under subsection (2) of Item 10 must be based on the following assumptions: (i) the beneficiary is a newborn, (ii) the subscriber is purchasing one unit of the scholarship plan, (iii) the subscriber has agreed to a monthly contribution schedule with contributions payable until the scholarship plan's maturity date, and (iv) all of the mandatory fees that are normally deducted from a subscriber's contributions are deducted during the relevant period.

(12) For the disclosure required in subsection (2) of Item 10, if the scholarship plan does not offer units but uses a similar method for deducting sales charges as is described under subsection (2) of Item 10, the wording may be amended as is necessary to properly reflect the scholarship plan's features.

(13) The “Other fees” sidebar required under subsection (3) of Item 10 refers to fees for specific transactions, such as changing a beneficiary, that are described in the table titled “Transaction Fees” in Item 14.4 of Part C of the Form.

**Item 11 – Guarantees**

Under the heading “Are there any guarantees?”, state the following using the same or substantially similar wording:

We cannot tell you in advance if your child will qualify to receive any payments from the plan or how much your child will receive. We do not guarantee the amount of any payments or that the payments will cover the full cost of your child’s post-secondary education.

Unlike bank accounts or GICs, investments in scholarship plans are not covered by the Canada Deposit Insurance Corporation or any other government insurer.

**Item 12 – For More Information**

(1) Under the sub-heading “For more information”, state the following using the same or substantially similar wording:

The Detailed Plan Disclosure delivered with this Plan Summary contains further details about this plan, and we recommend you read it. You may also contact [*insert name of investment fund manager*] or your sales representative for more information about this plan.

(2) State the name, address and toll-free telephone number of the investment fund manager of the plan and, if applicable, state the e-mail address and website of the investment fund manager of the plan.

**Part B – Detailed Plan Disclosure – General Information**

**Item 1 – Cover Page Disclosure**

**1.1 – Preliminary Prospectus Disclosure**

A preliminary prospectus must have printed in red ink and in italics at the top of the cover page of the Detailed Plan Disclosure immediately above the disclosure required in section 1.2 the following:

*A copy of this preliminary prospectus has been filed with the securities regulatory authorit[y/ies] in [*insert, as applicable the names of the provinces and territories of Canada*] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorit[y/ies].*

**INSTRUCTION**

A scholarship plan must complete the bracketed information by:

- (a) *inserting the names of each jurisdiction in which the scholarship plan intends to offer securities under the prospectus,*
- (b) *stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada, or*
- (c) *identifying the filing jurisdictions by exception (i.e., every province of Canada or every province and territory of Canada, except [*insert excluded jurisdictions*]).*

**1.2 – Required Statement**

State in italics at the top of the cover page the following:

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

**1.3 – Basic Disclosure about the Distribution**

(1) State the following immediately below the disclosure required under sections 1.1 and 1.2:

[Insert as applicable – PRELIMINARY/ PRO FORMA] PROSPECTUS  
CONTINUOUS OFFERING  
DETAILED PLAN DISCLOSURE

[Insert Date]

[Insert Name of Scholarship Plan(s)]

[State the type of securities qualified for distribution under the prospectus, and the price per security or minimum subscription amount]

(2) State the following:

[Insert, as applicable – This/These] investment fund[s] [insert, as applicable – is a/are] scholarship plan[s] that [Insert, as applicable – is/are] managed by [state the name of the investment fund manager of the scholarship plan].

#### INSTRUCTION

Write the date in full with the name of the month in words. A pro forma prospectus does not have to be dated, but may reflect the anticipated date of the prospectus.

#### Item 2 – Inside Cover Page

##### 2.1 – Introduction

Starting on a new page on the inside cover page under the heading “Important information to know before you invest”, include an introduction to the information provided in response to sections 2.2, 2.3, and 2.4 of this Part using the following wording:

The following is important information you should know if you are considering an investment in a scholarship plan.

##### 2.2 – No Social Insurance Number

Under the sub-heading “No social insurance number = No government grants, no tax benefits”, state the following using the same or substantially similar wording with the last paragraph in bold type:

We need social insurance numbers for you and each child named as a beneficiary under the plan before we can register your plan as a Registered Education Savings Plan (RESP). The *Income Tax Act* (Canada) won't allow us to register your plan as an RESP without these social insurance numbers. Your plan must be registered before it can:

- qualify for the tax benefits of an RESP, and
- receive any government grants.

You can provide the beneficiary's social insurance number after the plan is open. If you don't provide the beneficiary's social insurance number when you sign your contract with us, we'll put your contributions into an unregistered education savings account. During the time your contributions are held in this account, we will deduct sales charges and fees from your contributions as described under “Costs of investing in this plan” in the prospectus. You will be taxed on any income earned in this account.

If we receive the beneficiary's social insurance number within [insert the number of months – see Instruction (1)] months of your application date, we'll transfer your contributions and the income they earned to your registered plan.

If we do not receive the social insurance numbers within [insert number of months – see Instruction (1)] months of your application date, we'll cancel your plan. You'll get back your contributions and the income earned, less sales charges and fees. Since you pay sales charges up front, you could end up with much less than you put in.

**If you don't expect to get the social insurance number for your beneficiary within [insert number of months – see Instruction (1)] months of your application date, you should not enrol or make contributions to the plan.**

INSTRUCTIONS

(1) State the maximum number of months after the application date of a subscriber's plan the following which the investment fund manager will cancel the scholarship plan for failure to provide the social insurance numbers required for registering the scholarship plan as an RESP.

(2) If the scholarship plan's rules do not permit a subscriber to open the plan or accept contributions without the beneficiary's social insurance number, amend the disclosure in this section to reflect that fact.

**2.3 – Payments Not Guaranteed**

(1) Following the disclosure required under section 2.2, state the following, on the inside cover page under the sub-heading "Payments not guaranteed", using the same or substantially similar wording:

We cannot tell you in advance if your beneficiary will qualify to receive any educational assistance payments (EAPs) [insert, if applicable – or any discretionary payments] from the plan or how much your beneficiary will receive. We do not guarantee the amount of any payments or that they will cover the full cost of your beneficiary's post-secondary education.

(2) For a group scholarship plan, under the sub-heading "Payments from group plans depend on several factors", state the following using the same or substantially similar wording:

The amount of the EAPs from a group plan will depend on how much the plan earns and the number of beneficiaries in the group who do not qualify for payments.

(3) If the scholarship plan provides for any discretionary payments, immediately following the disclosure required under subsection 2.3(1) or 2.3(2), as applicable, list the discretionary payments that may be provided and state the following using the same or substantially similar wording with the first sentence in bold type:

**Discretionary payments are not guaranteed.** You must not count on receiving a discretionary payment. The [insert the name of the entity funding the discretionary payment] decides if it will make a payment in any year and how much the payment will be. If the [insert the name of the entity funding the discretionary payment] makes a payment, you may get less than what has been paid in the past.

(4) Under the sub-heading "Understand the risks", state the following using the same or substantially similar wording in bold type:

**If you withdraw your contributions early or do not meet the terms of the plan, you could lose some or all of your money. Make sure you understand the risks before you invest. Carefully read the information found under "Risks of investing in a scholarship plan" and "Risks of investing in this plan" in this Detailed Plan Disclosure.**

**2.4 – Withdrawal and Cancellation Rights**

Under the sub-heading "If you change your mind", state the following using the same or substantially similar wording with the last two sentences in bold type:

You have up to 60 days after signing your contract to withdraw from your plan and get back all of your money.

If you (or we) cancel your plan after 60 days, you'll get back your contributions, less sales charges and fees. You will lose the earnings on your money. Your government grants will be returned to the government. **Keep in mind that you pay sales charges up front. If you cancel your plan in the first few years, you could end up with much less than you put in.**

**Item 3 – Table of Contents**

**3.1 – Table of Contents**

(1) Include a table of contents.

(2) Begin the table of contents on a new page.

(3) Include in the table of contents, under the heading “Specific information about our plan[s]”, a list of all of the scholarship plans offered under the prospectus, with a reference to the page numbers where the plan-specific information about each scholarship plan required to be provided under Part C of this Form can be found.

#### Item 4 – Introduction and Glossary

##### 4.1 – Introduction and Documents Incorporated by Reference

(1) On a new page or immediately after the table of contents, under the heading “Introduction”, incorporate by reference the following documents in the prospectus by using the following wording or wording that is substantially similar:

This Detailed Plan Disclosure contains information to help you make an informed decision about investing in our scholarship plan[s] and to understand your rights as an investor. It describes the plan[s] and how [it/they] work[s], including the fees you pay, the risks of investing in a plan and how to make changes to your plan. It also contains information about our organization. The prospectus is comprised of both this Detailed Plan Disclosure and each Plan Summary that was delivered with it.

You can find additional information about the plan[s] in the following documents:

- the plan’s most recently filed annual financial statements,
- any interim financial reports filed after the annual financial statements, and
- the most recently filed annual management report of fund performance.

These documents are incorporated by reference into the prospectus. That means they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents at no cost by calling us at [*insert the toll-free telephone number or telephone number where collect calls are accepted*] or by contacting us at [*insert the scholarship plan’s e-mail address*].

[*Insert if applicable* – You’ll also find these documents on our website at [*insert the scholarship plan’s website address*]].

These documents and other information about the plan[s] are also available at [www.sedar.com](http://www.sedar.com).

(2) State that any documents of the type described in subsection 4.1(1) above, if filed by the scholarship plan after the date of the prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the prospectus.

(3) Include a description of each of the documents referred to in subsection 4.1(1) above and briefly explain the importance each document.

##### 4.2 – Terms Used in the Prospectus

Under the heading “Terms used in this prospectus”, provide the following list of defined terms using the same or substantially similar wording:

In this document, “we”, “us” and “our” refer to [*name of entities involved in the administration and distribution of scholarship plan securities*]. “You” refers to potential investors, subscribers and beneficiaries.

The following are definitions of some key terms you will find in this prospectus:

**Accumulated income payment (AIP):** the earnings on your contributions and/or government grants that you may get from your plan if your beneficiary does not pursue post-secondary education and you meet certain conditions set by the federal government or by the plan.

**AIP:** see Accumulated income payment.

**Application date:** the date you opened your plan with us, which is the date you sign your contract.

**Attrition:** under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group. See also pre-maturity attrition and post-maturity attrition.

**Beneficiary:** the person you name to receive EAPs under the plan.

**Beneficiary group:** beneficiaries in a group plan who have the same year of eligibility. They are typically born in the same year.

**Contract:** the agreement you enter into with us when you open your education savings plan.

**Contribution:** the amount you pay into a plan. Sales charges and other fees are deducted from your contributions and the remaining amount is invested in your plan.

**Discretionary payment:** a payment, other than a fee refund, that beneficiaries may receive in addition to their EAPs, as determined by *[insert name of entity funding the discretionary payment]* in its discretion.

**Discretionary payment account:** any account that holds money used to fund discretionary payments to beneficiaries.

**EAP:** see Educational Assistance Payment.

**EAP account:** for group plans, an account that holds the income earned on contributions made by subscribers. There is a separate EAP account for each beneficiary group. An EAP account includes the income earned on contributions of subscribers who have cancelled their plan or whose plan was cancelled by us. The money in this account is distributed to the remaining beneficiaries in the beneficiary group as part of their EAPs.

**Earnings:** any money earned on your (i) contributions and (ii) government grants, such as interest and capital gains. For group plans, it does not include any income earned in the discretionary payment account, such as interest earned on income after the maturity date.

**Educational assistance payment (EAP):** In general, an EAP is a payment made to your beneficiary after the maturity date for eligible studies. An EAP consists of your earnings and your government grants. *[Insert, if the prospectus includes a group scholarship plan – For a group plan, an EAP consists of your government grants, earnings on your government grants and your beneficiary's share of the EAP account.]* EAPs do not include discretionary payments or fee refunds.

**Eligible studies:** a post-secondary educational program that meets the plan's requirements for a beneficiary to receive EAPs.

**Government Grant:** any financial grant, bond or incentive offered by the federal government, (such as the Canada Education Savings Grant, or the Canada Learning Bond), or by a provincial government, to assist with saving for post-secondary education in an RESP.

**Grant contribution room:** the amount of government grant you are eligible for under a federal or provincial government grant program.

**Income:** has the same meaning as Earnings.

**Maturity date:** the date on which the plan matures. In general, it is in the year your beneficiary is expected to enrol in their first year of post-secondary education.

**Plan:** means *[list the name(s) of each of scholarship plan sold under this prospectus]*, *[insert for a multiple prospectus – each]* a scholarship plan that provides funding for a beneficiary's post-secondary education.

**Post-maturity attrition:** under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group after the maturity date. See also **Attrition**.

**Pre-maturity attrition:** under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group before the maturity date. See also **Attrition**.

**Subscriber:** the person who enters into a contract with *[insert legal name of entity entering into contract with subscribers]* to make contributions to a plan.

**Unit:** under a group plan, a unit represents your beneficiary's proportionate share of the EAP account. The terms of the contract you sign determine the value of the unit.

**Year of eligibility:** the year in which a beneficiary is first eligible to receive EAPs under a plan. For a group plan, it is typically the year the beneficiary will enter his or her *[insert as applicable – first or second]* academic year of eligible



studies. In general, the year of eligibility is [*insert as applicable – one year after/ the same year as*] the maturity date. For other types of plans, the year of eligibility can be any time after the maturity date.

#### **INSTRUCTIONS**

(1) *The list of defined terms must not contain material information not found elsewhere in the prospectus. The glossary must be limited to the terms provided.*

(2) *Use the terms set out in section 4.2 in the prospectus to facilitate comparability between scholarship plans.*

(3) *Include only the terms that are applicable to a scholarship plan included in the prospectus. For example, a prospectus that does not include a group scholarship plan must not include those terms that would be applicable only to a group scholarship plan.*

### **Item 5 – Overview of Scholarship Plans**

#### **5.1 – Introductory Heading**

Provide, at the top of a new page, the heading “Overview of our scholarship plan[s]”.

#### **5.2 – Description of Scholarship Plans**

Under the heading “What is a scholarship plan?”, state the following using the same or substantially similar wording:

A scholarship plan is a type of investment fund that is designed to help you save for a beneficiary’s post-secondary education. Your plan must be registered as a Registered Education Savings Plan (RESP) in order to qualify for government grants and tax benefits. To do this, we need social insurance numbers for you and the person you name in the plan as your beneficiary.

You sign a contract when you open a plan with us. You make contributions under the plan. We invest your contributions for you, after deducting applicable fees. You will get back your contributions, less fees, whether or not your beneficiary goes on to post-secondary education. Your beneficiary will receive educational assistance payments (EAPs) from us if they enrol in eligible studies and all the terms of the contract are met.

Please read your contract carefully and make sure you understand it before you sign. If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary could lose some or all of their EAPs.

#### **5.3 – List of Scholarship Plans Offered**

(1) If the investment fund manager offers more than one type of scholarship plan, under the heading “Types of plans we offer”, list the scholarship plans offered.

(2) State, as applicable, that there are differences in the enrolment criteria, contribution requirements, fees, eligible studies, payments to beneficiaries, options for receiving EAPs and options if the beneficiary does not pursue eligible studies among the scholarship plans offered. For a multiple prospectus, include a cross-reference to the plan-specific disclosure for each scholarship plan provided under Part C of this Form.

#### **INSTRUCTION**

*For each scholarship plan listed under subsection 5.3(1), state the name of the issuer of the securities.*

### **Item 6 – General Information about Scholarship Plan Life Cycle**

#### **6.1 – Overview of Scholarship Plan Life Cycle**

(1) Using the heading “How our plan[s] work[s]”, provide a brief description of the life cycle of the plan(s) offered under the prospectus, from enrolment in the plan(s) to EAPs being paid to the beneficiary.

(2) Using the margin of the page, add a sidebar under the heading “How our plan[s] work[s]”, and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

**Make sure your contact information is up to date**

It is important that you keep your address and contact information up to date. We will need to communicate important information to you throughout the life of your plan. We will also need to find you and the beneficiary when the plan matures so we can return your contributions and make payments to the beneficiary.

**INSTRUCTIONS**

(1) *The disclosure provided under section 6.1 must not exceed one page in length, and may be provided by means of a table or diagram.*

(2) *In providing the disclosure required under section 6.1, briefly describe the life cycle of the scholarship plan(s) offered under the prospectus, including significant stages such as enrolling and registering the scholarship plan as an RESP under the Income Tax Act (Canada), making contributions and paying fees from contributions, investing contributions and government grants, ceasing investments in accordance with the scholarship plan’s investment objectives and strategies upon plan maturity, returning contributions to subscribers at maturity and paying EAPs to beneficiaries for eligible studies.*

(3) *Do not provide a separate life cycle description for each scholarship plan offered under a multiple prospectus. Provide one life cycle description containing the elements that are common to the life cycle of each of the scholarship plans offered under the prospectus.*

**6.2 – Enrolling in a Scholarship Plan**

(1) Under the sub-heading “Enrolling in a plan”, describe the enrolment process for the scholarship plan(s) offered under the prospectus, including the requirement that the subscriber provide a social insurance number at the time of enrolment to register the plan as an RESP under the *Income Tax Act* (Canada).

(2) Describe the requirements for designation of a beneficiary of the scholarship plan, including Canadian residency and social insurance number requirements.

**6.3 – Unregistered Accounts**

(1) Under the sub-sub-heading “If your beneficiary does not have a social insurance number”, list the options available to a subscriber whose beneficiary does not yet have a social insurance number, including the option to wait until the beneficiary has a social insurance number to purchase a scholarship plan that is eligible to be held in an RESP.

(2) If the scholarship plan provider offers an unregistered education savings account, describe

- (a) the features of the unregistered education savings account, including what happens to contributions made to the account,
- (b) whether the account is eligible to receive government grants, and
- (c) the tax treatment of the account.

(3) State the deadline for providing the beneficiary’s social insurance number after which the investment fund manager will close the account.

**INSTRUCTION**

*Any plan or account offered by the scholarship plan provider that is not eligible for registration by the federal government as an RESP or is not held in a registered education savings account must be referred to and described as an “unregistered education savings account”.*

**6.4 – Government Grants**

(1) Under the sub-heading “Government grants”, list the government grants that the investment fund manager will apply for on a beneficiary’s behalf. For each government grant program, provide

- (a) a brief description of the program,

- (b) the maximum amount that may be granted under the program annually and over the duration of an RESP,
- (c) if applicable, the annual contribution amount that would attract the maximum annual government grant, and
- (d) any requirement to repay government grants.

(2) Describe what happens to the government grants received by the investment fund manager on behalf of a beneficiary, including

- (a) the legal ownership of the money throughout the life span of an investment in the scholarship plan,
- (b) whether the money is pooled with the government grants of other beneficiaries,
- (c) whether the money is invested together with subscriber contributions or separately from contributions, and
- (d) how the money is allocated on distribution to a qualified beneficiary.

(3) State that a subscriber may contact their sales representative or the investment fund manager about the applications that the investment fund manager will make on behalf of the subscriber and disclose where a subscriber can obtain more information about available government grants.

*INSTRUCTION*

*The disclosure provided under section 6.4 must not exceed two pages. The disclosure may be provided in the form of a table.*

**6.5 – Contribution Limits**

(1) Under the sub-heading “Contribution limits”, disclose whether the scholarship plan imposes a cumulative limit for contributions and indicate whether this is exclusive of any government grants.

(2) Disclose whether a subscriber can make contributions annually beyond the amount(s) that would result in the receipt of the maximum annual amount in government grants.

(3) If a subscriber is permitted to make additional contributions as described in subsection (2), disclose that the additional contributions are not eligible to attract further government grants and disclose how the additional contributions are invested.

(4) Disclose the maximum amount that may be contributed to an RESP under the *Income Tax Act* (Canada), and provide a cross-reference to the tax consequences of contributions beyond the limit set by the *Income Tax Act* (Canada) as disclosed under section 11.3 of this Part of this Form.

**6.6 – Additional Services**

If applicable, under the sub-heading “Additional services”, describe additional services relating to an investment in the scholarship plan that are available to subscribers from the investment fund manager or the principal distributor.

*INSTRUCTION*

*If insurance for contributions is offered for purchase by the principal distributor, provide a brief description of the insurance coverage, including the name of the insurer and whether the insurance is mandatory or optional for the subscriber. Include a cross-reference to the disclosure provided under section 14.5 of Part C of this Form.*

**6.7 – Fees and Expenses**

(1) Under the sub-heading “Fees and expenses”, state the following using the same or substantially similar wording:

There are costs for joining and participating in our plan[s]. You pay some of these fees and expenses directly from your contributions. The plan[s] pay[s] some of the fees and expenses, which are deducted from the [plan’s/plans’] earnings. See “Costs of investing in this plan” in this Detailed Plan Disclosure for a description of the fees and expenses of [each of] our plan[s]. Fees and expenses reduce the plan’s returns which reduces the amount available for EAPs.

(2) If the investment fund manager offers more than one type of scholarship plan, state, if applicable, that each scholarship plan offered requires the subscriber to pay different fees and expenses and, if applicable, that the choice of scholarship plan affects the amount of compensation paid to the dealer by a member of the organization of the scholarship plan or a subscriber.

## 6.8 – Eligible Studies

Under the sub-heading “Eligible studies”, state the following using the same or substantially similar wording:

EAPs will be paid to your beneficiary only if he or she enrolls in eligible studies. For a summary of the educational programs that qualify for EAPs under our plan[s], see “Summary of eligible studies” in this Detailed Plan Disclosure. [Insert if applicable –The plans offered under the prospectus each have their own criteria for what post-secondary programs qualify as eligible studies for receiving EAPs. We recommend that you carefully read the “Specific information about the plan” sections for each plan in this Detailed Plan Disclosure to better understand the differences among the plans.]

## 6.9 – Payments from the Scholarship Plan

(1) Under the sub-heading “Payments from the plan” with the sub-sub-heading “Return of contributions”, state the following using the same or substantially similar wording:

We always return your contributions less fees to you or to your beneficiary. Earnings from the plan will generally go to your beneficiary. If your beneficiary does not qualify to receive the earnings from your plan, you may be eligible to get back some of those earnings as an “accumulated income payment (AIP)”. See the “Accumulated income payments” section(s) in this Detailed Plan Disclosure for more information about AIPs.

(2) Under the sub-sub-heading “Educational assistance payments”, state the following using the same or substantially similar wording:

We will pay EAPs to your beneficiary if you meet the terms of your plan, and your beneficiary qualifies for the payments under the plan. The amount of each EAP depends on the type of plan you have, how much you contributed to it, the government grants in your plan and the performance of the plan’s investments.

You should be aware that the *Income Tax Act* (Canada) has restrictions on the amount of EAP that can be paid out of an RESP at a time. [See *Instruction*].

### INSTRUCTION

*For the disclosure under subsection (2), briefly describe the restrictions under the Income Tax Act (Canada) on the amount of EAPs that can be paid at a time.*

## 6.10 – Unclaimed Accounts

(1) Under the sub-heading “Unclaimed accounts”, briefly describe what an unclaimed account is.

(2) Describe the steps that the investment fund manager will take to contact the subscriber and the beneficiary with respect to an unclaimed account.

(3) Describe what will happen to any unclaimed contributions, unclaimed earnings on contributions, government grants and earnings on government grants if the investment fund manager is unable to locate the subscriber or the beneficiary.

(4) Describe how a subscriber or beneficiary can obtain payments of any unclaimed money.

## Item 7 – Scholarship Plans with Same Investment Objectives (Multiple Prospectus)

### 7.1 – Investment Objectives

(1) This section applies to a multiple prospectus for scholarship plans that have the same investment objectives, investment strategies and investment restrictions.

(2) Set out, under the heading “How we invest your money” with the sub-heading “Investment objectives”, the fundamental investment objectives of the scholarship plans, including any information that describes the fundamental nature of the scholarship plans or the fundamental features of the scholarship plans that distinguish them from other types of scholarship plans.

(3) Describe the nature of any securityholder or other approval that may be required to change the investment objectives of the scholarship plans.

(4) Describe any of the material investment strategies to be used to achieve those investment objectives.

(5) If each scholarship plan purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of the investments made by subscribers, include this fact as a fundamental investment objective of the scholarship plans and

- (a) identify the person or company providing the guarantee or insurance,
- (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance, and
- (c) provide the reasons for which the guarantor or insurer, as applicable, could limit or avoid execution of the guarantee or insurance policy.

**INSTRUCTIONS**

(1) State the type or types of securities, such as money market instruments, first mortgages and bonds, in which the scholarship plans will be primarily invested under normal market conditions.

(2) If a particular investment strategy is an essential aspect of the scholarship plans, as evidenced by the manner in which the scholarship plans are marketed, disclose this strategy as an investment objective.

**Item 8 – Scholarship Plans with Same Investment Strategies (Multiple Prospectus)**

**8.1 – Investment Strategies**

(1) This section applies to a multiple prospectus for scholarship plans that have the same investment objectives, investment strategies and investment restrictions.

(2) Describe under the sub-heading “Investment strategies” the following:

- (a) the principal investment strategies that the scholarship plans intend to use in achieving the investment objectives, and
- (b) the process by which the scholarship plans’ portfolio adviser selects investments for the portfolios of the scholarship plans, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.

(3) Indicate the types of investments, other than those held by the scholarship plans in accordance with their fundamental investment objectives, which may form part of the portfolio assets of the scholarship plans under normal market conditions.

(4) If the scholarship plans may depart temporarily from their fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the portfolio adviser may use or intends to use in response to such conditions.

**INSTRUCTION**

*Scholarship plans may, in responding to subsection 8.1(2), provide a discussion of the general investment approach or philosophy followed by the portfolio adviser of the scholarship plan.*

**Item 9 – Scholarship Plans with Same Investment Restrictions (Multiple Prospectus)**

**9.1 – Investment Restrictions**

(1) This section applies to a multiple prospectus for scholarship plans that have the same investment objectives, investment strategies and investment restrictions.

(2) Under the sub-heading “Investment restrictions”, describe any restrictions on investments adopted by the scholarship plans, beyond what is required under securities legislation.

(3) If the scholarship plans have received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.

(4) Describe the nature of any securityholder or other approval that may be required in order to change the investment restrictions of the scholarship plans.

**Item 10 – Risks of Investing in a Scholarship Plan**

**10.1 – Risks of Investing in a Scholarship Plan**

(1) Under the heading “Risks of investing in a scholarship plan”, include an introduction using the following wording or wording that is substantially similar:

If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary could lose some or all of their EAPs. Please read the description of the plan-specific risks under “Risks of investing in this plan” in this Detailed Plan Disclosure.

(2) Under the sub-heading “Investment risks”, include an introduction using the following wording or wording that is substantially similar:

The prices of the investments held by the scholarship plan[s] can go up or down. [*State, as applicable* – [Refer to “Risks of investing in this plan” in this Detailed Plan Disclosure for a description of/Below are [some of]] the risks that can cause the value of the scholarship plan [’s/s’] investments to change, which will affect the amount of EAPs available to beneficiaries.] Unlike bank accounts or guaranteed investment certificates, your investment in a scholarship plan is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

(3) For a multiple prospectus, list and describe the investment risks applicable to each of the scholarship plans offered under the prospectus.

(4) For a multiple prospectus that contains the disclosure required by section 7.1 of this Part of the Form, if, at any time during the 12-month period immediately preceding the date of the prospectus, more than 10% of the net assets of a scholarship plan were invested in the securities of an issuer other than a government security, disclose

- (a) the name of the issuer and the securities,
- (b) the highest percentage of the net assets of the scholarship plan that securities of that issuer represented during the 12-month period, and
- (c) the risks associated with the investments, including the possible or actual effect on the liquidity and diversification of the scholarship plan.

**INSTRUCTIONS**

(1) *Each risk factor listed must be described under a separate sub-sub-heading.*

(2) *Describe the risks in the order of the most serious to the least serious.*

(3) *Do not de-emphasize a risk factor by including excessive caveats or conditions.*

(4) *Include a discussion of general market, political, market sector, liquidity, interest rate, foreign currency, diversification and credit risks that apply to the portfolio of the scholarship plan, as appropriate.*

(5) *The term “government security” has the same meaning as in National Instrument 81-102 Mutual Funds.*

**Item 11 – Income Tax Considerations**

**11.1 – Status of the Scholarship Plan**

Under the heading “How taxes affect your plan”, briefly describe the status of the scholarship plan for income tax purposes.

**11.2 – Taxation of the Scholarship Plan**

Under the sub-heading “How the plan is taxed”, state in general terms the basis upon which the income and capital received by the scholarship plan are taxed.

### 11.3 – Taxation of the Subscriber

(1) Under the sub-heading “How you are taxed”, state in general terms how the subscriber will be taxed. State in general terms, as applicable to the scholarship plan(s) offered under the prospectus, using sub-sub-headings, the income tax consequences of

- (a) a return of contributions at the maturity date,
- (b) a withdrawal of contributions before the maturity date,
- (c) a refund of sales charges or other fees,
- (d) any other distributions to the subscriber in the form of income, capital or otherwise,
- (e) a cancellation of units prior to the maturity date,
- (f) a purchase of additional units,
- (g) a transfer between scholarship plans,
- (h) an additional contribution made to address backdating of a plan,
- (i) an additional contribution made to cure defaults under the scholarship plan, and
- (j) a contribution beyond the limit set by the Income Tax Act (Canada).

(2) Under the sub-sub-heading “If you receive an Accumulated income payment (AIP)”,

- (a) state the tax consequences of receiving an AIP,
- (b) describe how an AIP may be transferred to a registered retirement savings plan, and
- (c) describe the tax consequences of a transfer of an AIP to a registered retirement savings plan.

### 11.4 – Taxation of the Beneficiary

Under the sub-heading “How your beneficiary is taxed”, state in general terms the income tax consequences to a beneficiary of a payment made to the beneficiary under the scholarship plan, including, as applicable, an EAP, a discretionary payment and a fee refund.

## Item 12 – Organization and Management Details of the Scholarship Plan

### 12.1 – Organization and Management Details

(1) Provide in a diagram or table, under the heading “Who is involved in running the plan[s]”, information about the entities involved in operating the scholarship plan, including the investment fund manager, foundation, trustee, portfolio adviser, principal distributor, independent review committee, custodian, registrar and auditor of the scholarship plan.

(2) For each entity listed in the diagram or table, briefly describe the services provided by that entity, and the relationship of that entity to the investment fund manager. Include a description of how each of the following aspects of the operations of the scholarship plan is administered and who administers those functions:

- (a) the management and administration of the scholarship plan, including valuation services, fund accounting and securityholder records, other than the management of the portfolio assets;
- (b) the management of the portfolio assets, including the provision of investment analysis or investment recommendations and the making of investment decisions;
- (c) the purchase and sale of portfolio assets by the scholarship plan and the making of brokerage arrangements relating to the portfolio assets;
- (d) the distribution of the securities of the scholarship plan;
- (e) if the scholarship plan is a trust, the trusteeship of the scholarship plan;

- (f) if the scholarship plan is a corporation, the oversight of the affairs of the scholarship plan by the directors of the corporation;
- (g) the custodianship of the assets of the scholarship plan;
- (h) the oversight of the investment fund manager of the scholarship plan by the independent review committee;
- (i) the oversight of the scholarship plan by any other body.

(3) For each entity listed in the diagram or table, other than the investment fund manager, provide, if applicable, the municipality and the province or country where it principally provides its services to the scholarship plan. Provide the complete municipal address for the investment fund manager of the scholarship plan.

**INSTRUCTION**

*The “foundation” refers to the not-for-profit entity that is the sponsor of the scholarship plan.*

**Item 13 – Statement of Rights**

**13.1 – Statement of Rights**

Under the heading “Your rights as an investor”, state the following using the same or substantially similar wording:

You have the right to withdraw from an agreement to buy scholarship plan securities and get back all of your money (including any fees or expenses paid), within 60 days of signing the agreement. If the plan is cancelled after 60 days, you will only get back your contributions, less fees and expenses.

Any government grants you’ve received will be returned to the government.

In several provinces and territories, securities legislation also gives you the right to withdraw from a purchase and get back all of your money, or to claim damages, if the prospectus and any amendment contain a misrepresentation or are not delivered to you. You must act within the time limit set by the securities legislation in your province [*insert if the scholarship plan(s) is/are distributed in one or more territories of Canada – or territory*].

You can find out more about these rights by referring to the securities legislation of your province [*insert if the scholarship plan(s) is/are distributed in one or more territories of Canada – or territory*] or by consulting a lawyer.

**Item 14 – Other Material Information**

**14.1 – Other Material Information**

(1) Under the heading “Other important information”, state any other material facts relating to the securities being offered that are not disclosed under any other item in this Form and are necessary for the prospectus to contain full, true and plain disclosure of all material facts about the securities to be distributed.

(2) Provide any specific disclosure required to be disclosed in a prospectus under securities legislation that is not otherwise required to be disclosed by this Form.

(3) Subsection (2) does not apply to requirements of securities legislation that are form requirements for a prospectus.

**INSTRUCTIONS**

*(1) Sub-headings that are not mandated by this Form may be used in this Item.*

*(2) For a single prospectus, provide this disclosure either under this Item or under Item 23 of Part C of this Form, whichever is more appropriate.*

*(3) For a multiple prospectus, provide this disclosure under this Item if the disclosure pertains to all of the scholarship plans described in the document. If the disclosure does not pertain to all of the scholarship plans, provide the disclosure under Item 23 of Part C of this Form.*



## Item 15 – Back Cover

### 15.1 – Back Cover

(1) State on the back cover of the Detailed Plan Disclosure the name of the scholarship plan(s) offered under the prospectus, and the name, address and telephone number of the investment fund manager of the scholarship plan(s).

(2) State the following using the same or substantially similar wording:

You can find additional information about the plan[s] in the following documents:

- the plan's most recently filed annual financial statements,
- any interim financial reports filed after the annual financial statements, and
- the most recently filed annual management report of fund performance.

These documents are incorporated by reference into this prospectus. That means they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents at no cost by calling us at *[insert the toll-free telephone number or telephone number where collect calls are accepted]* or by contacting us at *[insert the scholarship plan's e-mail address]*.

*[Insert if applicable – You'll also find these documents on our website at [insert the scholarship plan's website address]].*

These documents and other information about the plan[s] are also available at [www.sedar.com](http://www.sedar.com).

## Part C – Detailed Plan Disclosure – Plan-Specific Information

### Item 1– General

The Items in this Part apply to each type of scholarship plan unless otherwise stated.

### Item 2 – Introductory Disclosure

#### 2.1 – For a Single Prospectus

Include at the top of the first page of the Part C section of the prospectus the heading “Specific information about the *[insert the name of the scholarship plan]*”.

#### 2.2 – For a Multiple Prospectus

Include,

- (a) at the top of the first page of the first Part C section of the prospectus, the heading “Specific information about our plans”, and
- (b) at the top of each page of a Part C section of the prospectus, a heading consisting of the name of the scholarship plan described on that page.

### Item 3 – Plan Description

#### 3.1 – Plan Description

Under the heading “Type of plan”, disclose in the form of a table

- (a) the type of scholarship plan, and
- (b) the date on which the scholarship plan was started.

**INSTRUCTION**

*In disclosing the date on which the scholarship plan was started, use the date on which the securities of the scholarship plan first became available for offer to the public, which will be on or about the date of the issuance of the first receipt for a prospectus of the scholarship plan.*

**Item 4 – Eligibility and Suitability**

**4.1 – Eligibility and Suitability**

- (1) Under the heading “Who this plan is for”, list the eligibility requirements for enrolment in the scholarship plan.
- (2) Provide a brief statement of the suitability of the scholarship plan for particular investors, describing the characteristics of the subscriber and beneficiary for whom the scholarship plan may be an appropriate investment and for whom it may not be an appropriate investment.

**INSTRUCTION**

*The disclosure provided under subsection 4.1(2) must be consistent with the disclosure provided under Item 4 of Part A of this Form. Discuss whether the scholarship plan is particularly suitable for certain types of investors. Conversely, if the scholarship plan is particularly unsuitable for certain types of investors, emphasize this aspect of the plan and disclose the types of investors who should not invest in the scholarship plan, on both a short- and long-term basis.*

**Item 5 – Beneficiary Group**

**5.1 – Beneficiary Group**

- (1) This Item applies to a group scholarship plan.
- (2) Under the sub-heading “Your beneficiary group”, describe
  - (a) what a beneficiary group is and the significance of belonging to a beneficiary group, and
  - (b) how the maturity date and year of eligibility are determined and the significance of the dates.
- (3) Include the table below, introduced using the following wording or wording that is substantially similar:

The table below can help you determine your beneficiary group. In general, the beneficiary group is determined by the age of the beneficiary when you sign your contract.

Age of beneficiary when the plan is purchased	Beneficiary group
<i>[Insert age of oldest beneficiary eligible to join the group scholarship plan] years old</i>	<i>[Insert year of eligibility for oldest beneficiary]</i>
<i>[Insert age corresponding to next year of eligibility in descending order] years old</i>	<i>[Insert year of eligibility for next oldest beneficiary]</i>
⋮	
0 years old	<i>[Insert year of eligibility for youngest beneficiary]</i>

**INSTRUCTIONS**

*(1) In responding to subsection 5.1(2), provide disclosure regarding the sharing of earnings on contributions based on the number of beneficiaries in a beneficiary group, including the sharing of earnings on contributions where there is pre-maturity and post-maturity attrition.*

*(2) The table required under subsection 5.1(3) is used to demonstrate how the year of eligibility relates to the age of the beneficiary on the application date. The disclosure in the column of this table titled “Age of beneficiary when the scholarship plan is purchased” must present the ages of the beneficiaries for whom subscribers may purchase a group scholarship plan, starting*

from the oldest to the youngest. For example, if a beneficiary cannot join the group scholarship plan after age 12, then that must be the age disclosed in the top row of that column. The ages disclosed in the subsequent row must follow in descending order.

(3) For the column titled “Beneficiary Group” in the table required under subsection 5.1(3), the “year of eligibility” disclosed in each row must be based on the year of eligibility that would typically correspond to a beneficiary of the age described in adjacent column of that table titled “Typical age of beneficiary when the scholarship plan is purchased” as of the date of the prospectus. For example, if the age of the beneficiary listed in the table is 12, the disclosure under “Beneficiary Group” must show the typical year of eligibility for a 12 year old beneficiary joining the scholarship plan as of the date of the prospectus.

## **Item 6 – Eligible Studies**

### **6.1 – Summary of Eligible Studies**

Under the heading “Summary of eligible studies”, state the following using the same or substantially similar wording:

The following is a description of the post-secondary programs that are eligible studies and qualify for EAPs under the [insert name of the scholarship plan].

Contact us or your sales representative to find out if the educational programs your beneficiary is interested in are eligible studies. We can provide you with a current list of qualifying institutions and programs on request. This list is also available on the plan’s website.

For more information about receiving EAPs, see “Educational assistance payments” on page [insert page reference to the disclosure provided under section 19.2 of Part C of this Form] of this Detailed Plan Disclosure.

### **6.2 – Description of Eligible Programs**

Under the sub-heading “What’s eligible”, briefly describe the types of programs that qualify for EAPs under the scholarship plan.

### **6.3 – Description of Ineligible Programs**

(1) Under the sub-heading “What’s not eligible”, briefly describe the types of programs that do not qualify for EAPs under the scholarship plan.

(2) If any post-secondary program that would qualify for an EAP under the Income Tax Act (Canada) would be considered eligible studies under the scholarship plan, state this fact. If there are differences between the types of programs eligible for payment of an EAP under the Income Tax Act (Canada) and programs recognized as eligible studies under the scholarship plan, state this fact and describe how the scholarship plan’s requirements are different than the Income Tax Act (Canada) requirements.

(3) State, if applicable, that beneficiaries who do not enrol in eligible studies under the requirements of the scholarship plan will also not receive payments of government grants.

(4) If the scholarship plan does not recognize all of the same post-secondary programs that would qualify for an EAP under the *Income Tax Act* (Canada), then state the following using the same or substantially similar wording:

If you are interested in a post-secondary program that doesn’t qualify for EAPs under the [insert the name of the scholarship plan] but would qualify for an EAP under the *Income Tax Act* (Canada), you should consider another type of plan. [Insert if applicable – For example, in our [insert, as applicable the name of the scholarship plan(s)], any post-secondary program that would qualify for an EAP under the *Income Tax Act* (Canada) is considered eligible studies for receiving an EAP under the plan.]

## **INSTRUCTIONS**

(1) The list of institutions and programs that are “eligible studies” under the scholarship plan and are referred to in section 6.1 must be provided in a format that facilitates comprehension by the investor. The list must also be available on the plan’s website in a location that does not have restricted access, i.e., it does not require a password or login account.

(2) The disclosure required by sections 6.2 and 6.3 may be provided in the form of a table to assist readability.

(3) Describe the programs required to be disclosed under sections 6.2 and 6.3 based on characteristics such as the type of educational institutions offering the programs, the duration of the programs and the location of the educational institutions.

## Item 7 – Investment Objectives

### 7.1 – Investment Objectives

(1) This section does not apply to a scholarship plan that is required to provide the disclosure under section 7.1 of Part B of this Form.

(2) Under the heading “How we invest your money” with the sub-heading “Investment objectives”, state the fundamental investment objectives of the scholarship plan, including any information that describes the fundamental nature of the scholarship plan or the fundamental features of the scholarship plan that distinguish it from other types of scholarship plans.

(3) Describe the nature of any securityholder or other approval that may be required to change the investment objectives of the scholarship plan.

(4) Describe any of the material investment strategies to be used to achieve the scholarship plan’s investment objectives.

(5) If the scholarship plan purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of the investments made by subscribers, include this fact as a fundamental investment objective of the scholarship plan and

- (a) identify the person or company providing the guarantee or insurance,
- (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance, and
- (c) provide the reasons for which the guarantor or insurer could limit or avoid execution of the guarantee or insurance policy.

#### *INSTRUCTION*

*In providing the disclosure required by this Item, follow the Instructions that apply to section 7.1 of Part B of this Form.*

## Item 8 – Investment Strategies

### 8.1 – Investment Strategies

(1) This section does not apply to a scholarship plan that is required to provide the disclosure under section 8.1 of Part B of this Form.

(2) Describe under the sub-heading “Investment strategies” the following:

- (a) the principal investment strategies that the scholarship plan intends to use in achieving its investment objectives, and
- (b) the process by which the scholarship plan’s portfolio adviser selects investments for the scholarship plan’s portfolio, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.

(3) Indicate the types of investments, other than those held by the scholarship plan in accordance with its fundamental investment objectives, which may form part of the scholarship plan’s portfolio assets under normal market conditions.

(4) If the scholarship plan may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the scholarship plan’s portfolio adviser may use or intends to use in response to such conditions.

#### *INSTRUCTION*

*A scholarship plan may, in responding to subsection 8.1(2), provide a discussion of the general investment approach or philosophy followed by the portfolio adviser of the scholarship plan.*

## Item 9 – Investment Restrictions

### 9.1 – Investment Restrictions

(1) This section does not apply to a scholarship plan that is required to provide the disclosure specified under section 9.1 of Part B of this Form.

(2) Under the sub-heading “Investment restrictions”, describe any restrictions on investments adopted by the scholarship plan, beyond what is required under securities legislation.

(3) If the scholarship plan has received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.

(4) Describe the nature of any securityholder or other approval that may be required in order to change the investment restrictions of the scholarship plan.

## Item 10 – Plan-Specific Risks

### 10.1 – Plan Risks

(1) Under the heading “Risks of investing in this plan” with the sub-heading “Plan risks”, include an introduction using the following wording or wording that is substantially similar:

You sign a contract when you open a plan with us. Read the terms of the contract carefully and make sure you understand the contract before you sign. If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary could lose some or all of his or her EAPs.

Keep in mind that payments from the plan are not guaranteed. We cannot tell you in advance if your beneficiary will qualify to receive any EAPs from the plan or how much your beneficiary will receive. We do not guarantee the amount of any payments or that the payments will cover the full cost of your beneficiary’s post-secondary education.

In addition to the investment risks described under “Investment risks” on page(s) *[insert a page reference to the investment risks disclosed under section 10.1(3) of Part B of this Form or section 10.2 of this Part of the Form, as applicable]* of the prospectus, the following is a description of the risks of participating in this plan:

(2) List and describe any material risks associated with an investment in the scholarship plan, other than the investment risks associated with the portfolio held by the scholarship plan that are disclosed under section 10.1 of Part B of this Form or section 10.2 of this Part, including, as applicable to the scholarship plan,

- (a) the risk of a change in attrition rates affecting the amount of EAPs available to beneficiaries,
- (b) the risk of a decision not to provide a discretionary payment affecting the amount of money available to beneficiaries who enrol in eligible studies,
- (c) the risk that the current sources of funding for discretionary payments may not be available at plan maturity,
- (d) if there is no guarantee for any refunds of sales charges or other fees, the risk that the current sources of funding for the refunds may not be available at or after the maturity date of the subscriber’s scholarship plan, and
- (e) if the scholarship plan has more than one class or series of securities, the risk that the investment performance, expenses or liabilities of one class or series may affect the value of the securities of another class or series.

### INSTRUCTION

In responding to section 10.2, follow Instructions (1) – (3) to section 10.1 of Part B of this Form.

### 10.2 – Investment Risks

(1) Subsections (2) to (5) do not apply to a scholarship plan that is required to provide the disclosure under section 7.1 of Part B of this Form.

(2) Under the heading “Risks of investing in this plan” with the sub-heading “Investment risks”, include an introduction using the following wording or wording that is substantially similar:

The prices of the investments held by the scholarship plan can go up or down. Below are the risks that can cause the value of the plan’s investments to change, which will affect the amount of EAPs available to beneficiaries.

(3) List and describe the investment risks applicable to the scholarship plan, other than those risks previously discussed under subsection 10.1(3) of Part B of this Form.

(4) Include specific cross-references to the risks described in response to subsection 10.1(3) of Part B of this Form that are applicable to the scholarship plan.

(5) If, at any time during the 12-month period immediately preceding the date of the prospectus, more than 10% of the net assets of a scholarship plan were invested in the securities of an issuer other than a government security, disclose

- (a) the name of the issuer and the securities,
- (b) the maximum percentage of the net assets of the scholarship plan that securities of that issuer represented during the 12-month period, and
- (c) the risks associated with the investment in the securities, including the possible or actual effect on the liquidity and diversification of the scholarship plan.

(6) If the scholarship plan is required to provide the disclosure under section 7.1 of Part B of this Form, under the heading “Risks of investing in this plan” with the sub-heading “Investment risks”, state the following using the same or substantially similar wording:

The prices of the investments held by the scholarship plan can go up or down. You can find a list of risks that can cause the value of the plan’s investments to change under “Investment risks” on page *[insert page reference to the risks disclosed under section 10.1(3) of Part B of this Form]*.

**INSTRUCTION**

*In providing disclosure under this section, follow the Instructions to section 10.1 of Part B of this Form.*

**Item 11 – Annual Returns**

**11.1 – Annual Returns**

Under the heading “How the plan has performed”, provide, in the form of the following table, the annual return of the scholarship plan for each of the past five years (or for a scholarship plan that has existed for less than five years, for each year the scholarship plan has been in existence) as disclosed in the most recently filed annual management report of fund performance of the scholarship plan, introduced using the following wording or wording that is substantially similar:

The table below shows how the investments in *[insert name of the scholarship plan]* performed in each of the past five financial years ending on *[insert date of end of financial year for the scholarship plan]*. Returns are after expenses have been deducted. These expenses reduce the returns you get on your investment.

It’s important to note that this doesn’t tell you how the plan’s investments will perform in the future.

	<b><i>[Insert most recently completed Financial Year]</i></b>	<b><i>[Insert most recently completed Financial Year minus 1]</i></b>	<b><i>[Insert most recently completed Financial Year minus 2]</i></b>	<b><i>[Insert most recently completed Financial Year minus 3]</i></b>	<b><i>[Insert most recently completed Financial Year minus 4]</i></b>
<b>Annual Return</b>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>

## Item 12 – Contributions

### 12.1 – Making Contributions

(1) Under the heading “Making contributions”, state the minimum investment in the scholarship plan permitted under the prospectus and the maximum length of time a subscriber can make contributions under the plan.

(2) If the scholarship plan uses units, under the sub-heading “What is a unit?”, describe the unit and state why the scholarship plan uses units. State if the value of a unit is based only on the value of the portfolio assets held by the scholarship plan and, if not, state what other factors the value of a unit is based on.

(3) Under the sub-heading “Your contribution options”, describe all available contribution options.

(4) If the scholarship plan requires subscribers to make contributions to the plan in accordance with a contribution schedule, under the sub-heading “Contribution schedule”, include an introduction to the contribution schedule using the following wording or wording that is substantially similar:

The contribution schedule below shows how much you have to contribute to buy a unit. The price you pay depends on your beneficiary group and whether you pay for your units all at once or make periodic contributions to pay for your units. *[For a group scholarship plan, state – The prices are calculated so that the contributions of each subscriber for a beneficiary group will generate the same earnings per unit.]*

Certain fees and expenses are deducted from your contributions. For more information, please see “Fees you pay” on page *[insert page reference to the disclosure provided under section 14.2 of Part C of this Form]*.

The contribution schedule was prepared by *[indicate name of entity/entities that prepared the contribution schedule]* in *[specify year the contribution schedule was prepared]*.

(5) Include the contribution schedule of the scholarship plan in the form of the following table, together with the following examples to explain how to use the contribution schedule to determine the contributions required to pay for each unit. Introduce the table using the following wording or wording that is substantially similar with the title “How to use this table” in bold type:

**How to use this table:**

For example, let’s assume your beneficiary is a newborn. If you want to make monthly contributions until maturity, it will cost \$*[insert amount payable monthly for this option]* each month for each unit you buy. You would have to make *[insert total number of payments for this option]* contributions over the life of your plan, for a total investment of \$*[insert total amount payable for this option]*.

If your child is five years old and you want to make annual contributions until maturity, it will cost \$*[insert amount payable annually for this option]* each year for each unit you buy. You would have to make *[insert total number of payments for this option]* contributions over the life of your plan, for a total investment of \$*[insert total amount payable for this option]*.

Contribution schedule				
<b>Contribution options</b> [See Instruction (2)]	[Insert youngest beneficiary by age] [See Instruction (3)]	[Insert next youngest beneficiary by age]	...	[Insert oldest beneficiary by age]
<b>Monthly contribution</b> Contribution amount Total number of contributions Total amount of contributions	[See Instruction (4)]			
<b>Annual contribution</b> Contribution amount Total number of contributions Total amount of contributions				
⋮				
<b>Lump sum contribution</b> Contribution amount				

(6) State the assumptions on which the contribution schedule is based and confirm that the assumptions are still reflective of current conditions and circumstances.

**INSTRUCTIONS**

- (1) The contribution schedule must outline all available contribution options, including the lump sum contribution option.
- (2) List the contribution options in the order based on the total number of contributions, from the largest number of contributions to the smallest number of contributions. For example, if the scholarship plan permits monthly, annual and lump sum contributions, list the contribution options in that order.
- (3) The contribution schedule must be presented in the order based on the age of the beneficiaries, from the youngest to oldest.
- (4) For each contribution option, set out the amount of each contribution, the total number of contributions, and the total amount payable for one unit.
- (5) If the scholarship plan permits a subscriber to date their plan as at a date that is earlier than the application date, disclose the conditions or requirements that must be met to backdate a plan, including the maximum number of months that a plan may be backdated and the basis of calculation of any amount(s) payable by the subscriber in addition to the contributions required under the contribution schedule. Include a cross-reference to the disclosure provided under paragraph 11.3(1)(h) of Part B of this Form.
- (6) The contribution amounts in the contribution schedule must not include fees for insurance.

**12.2 – Missing Contributions**

(1) Under the sub-heading “If you have difficulty making contributions”, state the following using the same or substantially similar wording:

If you miss one or more contributions, you may be in default of your plan. To stay in the plan, you’ll have to make up the contributions you missed. [State if applicable – You’ll also have to make up what the contributions would have earned if you had made them on time]. This can be costly.



For information about the steps you have to take to stay in the plan after missing contributions, see “Default, withdrawal or cancellation” on page [insert page reference to the disclosure provided under Item 17 of Part C of this Form].

(2) Under the sub-sub-heading “Your options”, describe the options available to subscribers having difficulty making contributions, including reducing the amount of contributions, suspending contributions, transferring to another RESP and cancelling their scholarship plan.

(3) Describe any restrictions on the availability of the options referred to in subsection (2).

(4) For each option set out under subsection (2), disclose the fee payable for the option and the losses that may be incurred by the subscriber as a result of the option.

(5) Describe what will happen if a subscriber has difficulty making contributions and does not select any of the options set out under subsection (2).

**INSTRUCTIONS**

(1) A scholarship plan that does not require subscribers to make regular contributions to keep their plan in good standing must modify the disclosure under subsection 12.2(1) accordingly.

(2) If the cost of putting a plan in good standing after a voluntary suspension of the plan includes the payment of an amount equal to the interest that would have been earned on the missing contributions, disclose the current interest rate used as an annualized rate of interest and disclose how the interest is calculated.

(3) In disclosing any losses that may be incurred by a subscriber under subsection (4), state whether the subscriber may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.

(4) If the disclosure for an option required by subsections (3) and (4) is provided elsewhere in Part C of the prospectus, a cross-reference to the disclosure for the option may be provided in response to subsections (3) and (4). For example, if transferring to another scholarship plan managed by the investment fund manager is an option available to the subscriber, a scholarship plan may refer investors to details of this type of transfer by providing a cross-reference to the disclosure provided under section 16.1 of Part C of this Form.

**Item 13 – Withdrawing Contributions**

**13.1 – Withdrawing Contributions**

(1) Under the heading “Withdrawing your contributions”, describe a subscriber’s entitlement to a return of contributions made, less fees, at any time before the maturity date of their scholarship plan.

(2) Describe the steps a subscriber must take to withdraw some or all of their contributions before the maturity date of their scholarship plan.

(3) Disclose the fee for a withdrawal from their scholarship plan and describe the losses that may be incurred by a subscriber upon a withdrawal.

(4) Disclose whether a subscriber’s plan will be cancelled if the subscriber withdraws all the contributions made to their plan. If so, provide a cross-reference to the disclosure provided under section 17.3 of Part C of this Form.

**INSTRUCTION**

In describing any losses that may be incurred by a subscriber under subsection (3), disclose whether the subscriber may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.

**Item 14 – Fees and Expenses**

**14.1 – Costs of Investing in the Scholarship Plan**

Under the heading “Costs of investing in this plan”, state the following using the same or substantially similar wording:

There are costs for joining and participating in the *[insert name of scholarship plan]*. The following tables list the fees and expenses of this plan. You pay some of these fees and expenses directly from your contributions. The plan pays some of the fees and expenses, which are deducted from the plan's earnings.

**14.2 – Fees Payable by Subscriber from Contributions**

(1) Under the sub-heading “Fees you pay”, provide a list of the fees and expenses that are deducted from contributions and that are not required to be provided in the table under section 14.4 of Part C of this Form in the form of the following table. Introduce the table using the following wording:

These fees are deducted from your contributions. They reduce the amount that gets invested in your plan, which will reduce the amount available for EAPs.

Fee	What you pay	What the fee is for	Who the fee is paid to
Sales charge	<i>[Specify amount]</i>	<i>[Specify the purpose]</i>	<i>[Insert name of entity]</i>
Account Maintenance Fee	<i>[Specify amount]</i>	<i>[Specify the purpose]</i>	<i>[Insert name of entity]</i>
<i>[Specify other fees and expenses]</i>	<i>[Specify amount]</i>	<i>[Specify the purpose]</i>	<i>[Insert name of entity]</i>

(2) If the sales charge listed in the table required by subsection (1) is deducted from contributions at a higher rate in the early period of participating in the scholarship plan, add a sidebar under the sub-heading “Fees you pay”, using the margin of the page and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

**Paying off the sales charges**

For example, assume that you buy one unit of the *[insert name of scholarship plan]* on behalf of newborn child, and you commit to making monthly contributions until the maturity date to pay for that unit. *[All/[specify lower percentage, if applicable]]* of your first *[insert number of contributions]* contributions go toward the sales charge until *[half/[specify other percentage if applicable]]* of the sales charge is paid off. *[State, as applicable – [Half/[specify other percentage if applicable]]* of your next *[insert number of contributions]* contributions go toward the sales charge until it's fully paid off.] Altogether, it will take you *[insert number of months]* months to pay off the sales charge. During this time, *[insert percentage]* of your contributions will be used to pay the sales charge and *[insert percentage]* of your contributions will be invested in your plan.

(3) State whether any of the fees listed in the table in subsection (1) may be increased without subscriber approval.

**INSTRUCTIONS**

(1) *In the table required under subsection 14.2(1), list the fees payable by subscribers' contributions. Each fee must be listed on a separate row in the table.*

(2) *In the table required under subsection 14.2(1) in the column titled “What you pay” state the amount of each fee. The amount of each fee must be disclosed based on how the fee is calculated. For example, if a particular fee is calculated as a fixed dollar amount per unit, or a fixed amount per year, it must be stated as such. Similarly, if a fee is calculated as a percentage of plan assets, that percentage must be stated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.*

(3) *For a group scholarship plan or other type of scholarship plan that normally calculates the sales charge payable as a fixed dollar amount linked to the amount of contribution by a subscriber (i.e. \$x.xx per unit), in addition to stating the fixed amount of sales charge per unit as required under Instruction (2), the disclosure of the amount of sales charge in the table required under subsection 14.2(1) in the column titled “What you pay” must also be expressed as a percentage of the cost of a unit of the scholarship plan. If the total cost of a unit of the scholarship plan varies depending on the contribution option or frequency selected, the percentage sales charge must be expressed as a range, between the lowest and the highest percentage of the unit cost the sales charge can represent, based on the different contribution options available to subscribers under the scholarship plan. This must be calculated as follows: (i) divide the sales charge per unit by the contribution option that has the highest total cost per unit, and (ii) divide the sales charge per unit by the contribution option that has the lowest total cost per*

unit. For example, if a scholarship plan calculates its sales charge as \$200/unit, and the total cost per unit for a subscriber can range from \$1000 to \$5000 (based on the different options available to subscribers), the percentage range of the sales charge disclosed in the table would be 4% (200/5000) to 20% (200/1000). The disclosure in the table must also state that the exact percentage of the sales charge per unit for a subscriber will depend on the contribution option selected for contributing to the scholarship plan and how old their beneficiary is at the time they open the scholarship plan.

(4) In the table required under subsection 14.2(1) in the column titled “What you pay” describe how the fee is deducted from contributions if the fee amount deducted from each contribution is not the same. For example, if deductions for sales charges are not made from each contribution at a constant rate for the duration of the plan or for the period for which contributions are required to be made under the scholarship plan if it is less than the scholarship plan’s duration, describe the amounts from contributions that are deducted to pay sales charges.

(5) In the table required under subsection 14.2(1) in the column titled “What the fee is for” provide a concise explanation of what the fee is used for.

(6) In the table required under subsection 14.2(1) in the column titled “Who the fee is paid to”, state the name of the entity to which the fee is paid, such as the investment fund manager, the portfolio manager, the dealer, the foundation, etc.

(7) The disclosure required under subsection 14.2(2) must be based on the following assumptions: (i) the beneficiary is a newborn, (ii) the subscriber is purchasing one unit of the scholarship plan, (iii) the subscriber has agreed to a monthly contribution schedule with contributions payable until the scholarship plan’s maturity date, and (iv) all of the mandatory fees that are normally deducted from a subscriber’s contributions are deducted during the relevant period. The disclosure provided under subsection 14.2(2) must be consistent with the disclosure provided under subsection (2) of Item 10 of Part A of the form.

(8) The disclosure required in subsection 14.2(2) may alternatively be provided in a text box below the table required under subsection 14.2(1).

(9) For the disclosure required in subsection 14.2(2), if the scholarship plan does not offer units but uses a similar method for deducting sales charges as is described under subsection 14.2(2), the wording may be amended as is necessary to properly reflect the scholarship plan’s features.

**14.3 – Fees Payable by the Scholarship Plan**

(1) Under the sub-heading “Fees the plan pays”, provide a list of the fees and expenses that are payable by the scholarship plan in the form of the following table and introduced using the following wording:

The following fees are payable from the plan’s earnings. You don’t pay these fees directly. These fees affect you because they reduce the plan’s returns which reduces the amount available for EAPs.

<b>Fee</b>	<b>What the plan pays</b>	<b>What the fee is for</b>	<b>Who the fee is paid to</b>
Administrative fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
Portfolio management fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
Custodian fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
Independent review committee fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
[Specify other fees and expenses]	[Specify amount]	[Specify purpose]	[Insert name of entity]

(2) State whether any of the fees or expenses listed in the table in subsection (1) may be increased without subscriber approval.

**INSTRUCTIONS**

(1) In the table, show all fees and expenses payable by the scholarship plan, even if it is expected that the investment fund manager or other member of the organization of the scholarship plan will waive or absorb some or all of those fees and expenses. Each fee must be listed in a separate row in the table.

(2) If one or more fees listed or required to be listed in the table are normally combined into an “all-inclusive fee” payable by the scholarship plan, the table may be amended as is necessary to reflect this fact.

**Rules and Policies**

---

(3) In the column titled “What the plan pays” state the amount of each fee listed in the table. The amount of fee stated must be disclosed based on how the fee is calculated. For example, if a fee is calculated based on a percentage of the scholarship plan’s assets, it must be stated as such. For the “independent review committee fee”, state the amount of any retainer payable to each member of the committee and any additional fees payable for meeting attendance and indicate if committee members expenses are reimbursed, and disclose the total dollar amount paid in connection with the independent review committee for the most recently completed financial year of the scholarship plan. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.

(4) In the column titled “What the fee is for” provide a concise explanation of what the fee is used for. If a fee is charged to the scholarship plan for on-going fund expenses, list the main components of those expenses covered by the fee.

(5) In the column titled “Who the fee is paid to”, state the name of the entity to which the fee is paid, such as the investment fund manager, the portfolio manager, the dealer, the foundation, etc.

**14.4 – Transaction Fees**

Under the sub-heading “Transaction fees”, provide a list of the transaction fees in the form of the following table introduced using the following wording:

We will charge the following fees for the transactions listed below.

Fee	Amount	How the fee is paid	Who the fee is paid to
[Insert type of fee]	[\$[Specify amount]]	[Insert how the fee is charged]	[Insert name of entity]

**INSTRUCTIONS**

(1) In the column titled “fee” describe the type of transaction for which the fee is charged; for example, replacing a cheque, changing the contribution schedule, changing the beneficiary, changing the maturity date, transferring a plan and a late application for EAPs. Each fee must be listed on a separate row in the table.

(2) In the column titled “Amount” specify the amount of each fee. The amount must be disclosed based on how the fee is calculated. For example if the fee is calculated as a fixed dollar amount or a percentage it must be disclosed as such.

(3) In the column titled “How the fee is paid” state how the fee for each transaction is charged, for example, if the fee is payable directly by the subscriber or beneficiary, or if it is deducted from the earnings of the scholarship plan.

(4) In the column titled “Who the fee is paid to” specify the entity to which the fee is paid, such as the scholarship plan dealer, the investment fund manager, the Foundation, etc.

**14.5 – Fees for Additional Services**

If applicable, under the sub-heading “Fees for additional services”, provide a list of the fees payable for the additional services disclosed under section 6.6 of Part B of this Form in the form of the following table and introduced using the following wording:

The following fees are payable for the additional services listed below:

Fee	What you pay	How the fee is paid	Who the fee is paid to
[Specify type of fee]	[\$[Specify amount]]	[Specify how the fee is charged]	[Insert name of entity]

**INSTRUCTIONS**

(1) In the column titled “Fee”, describe the type of service for which the fee is charged (for example, insurance services). Each fee must be listed in a separate row in the table.

(2) Under the column titled “What you pay” specify the amount of each fee. The fee must be disclosed based on how it is calculated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.

(3) If insurance services are provided, under the column “What you pay”, disclose the fee for insurance and disclose the portion of the fee that is paid by the insurer to the principal distributor, the investment fund manager, or an affiliate.

(4) If the fee payable for an additional service varies so that specific disclosure of the amount of the fee cannot be provided in the prospectus, provide the range of fees payable under the column titled “What you pay”.

(5) In the column titled “How the fee is paid” state how the fee for each service is charged, for example, if the fee is an amount payable by the subscriber on a monthly basis in addition to contributions made under the contribution schedule.

(6) In the column titled “Who the fee is paid to” state the name of the entity to which the fee is paid, such as the scholarship plan dealer, the investment fund manager, the Foundation, etc. If insurance services are provided, the name of the insurer must be disclosed.

#### 14.6 – Refund of Sales Charges and Other Fees

(1) Under the sub-heading “Refund of sales charges [and other fees]”, disclose the details of all arrangements for the refunding of sales charges and any other fee paid by subscribers.

(2) In the disclosure required by subsection (1), for each fee that may be refunded, describe

- (a) who pays the fee refund,
- (b) who funds the fee refund and the sources of funding for the fee refund,
- (c) whether the refund is guaranteed or not and what that means,
- (d) the conditions or requirements that must be met to receive the fee refund,
- (e) when the refund will be paid,
- (f) whether the amount refunded will include interest,
- (g) whether the refund is paid in cash to the subscriber or is credited to their plan,
- (h) if applicable, whether the amount refunded will be considered a contribution to the scholarship plan for tax purposes, and
- (i) whether the amount refunded is taxable to the subscriber or beneficiary.

(3) Describe the circumstances that may affect the ability of the current sources of funding for the fee refunds to continue to fund such payments.

(4) State whether the investment fund manager or any other entity has put any mechanism in place to continue to make fee refunds if any of the circumstances referred to in subsection (3) occurs.

(5) If a fee refund is payable on a discretionary basis, state the following wording with the first sentence in bold type:

**Discretionary refunds are not guaranteed.** You should not count on receiving a discretionary refund. [*Specify entity*] decides if it will provide a fee refund in any year.

#### INSTRUCTIONS

(1) A return of an enrolment fee is considered to be a refund of sales charges for the purposes of disclosure under this section.

(2) If a fee refund is paid in instalments, disclose each payment date and the amount or proportion of the refund payable at each date.

#### Item 15 – Making Changes to a Subscriber’s Plan

##### 15.1 – Changing Contributions

(1) Under the heading “Making changes to your plan” and the sub-heading “Changing your contributions”, disclose whether or not a subscriber can change the contributions under a scholarship plan.

(2) If a subscriber can change the contributions under a scholarship plan, disclose

- (a) the steps the subscriber must take to make the change,
- (b) the conditions or requirements that must be met to make the change,
- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

**15.2 – Changing Maturity Date**

(1) Under the sub-heading “Changing the maturity date”, disclose whether or not a subscriber can change the maturity date of their plan.

(2) If a subscriber can change the maturity date, disclose

- (a) the steps the subscriber must take to make the change,
- (b) the conditions or requirements that must be met to make the change,
- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

**15.3 – Changing Year of Eligibility**

(1) Under the sub-heading “Changing your beneficiary’s year of eligibility”, disclose whether or not a subscriber can change the year of eligibility of a beneficiary.

(2) If a subscriber can change the year of eligibility, disclose

- (a) the steps the subscriber must take to make the change,
- (b) the conditions or requirements that must be met to make the change,
- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

**15.4 – Changing Subscriber**

(1) Under the sub-heading “Changing the subscriber”, disclose whether the contract permits the subscriber to be changed at any time during the life of a scholarship plan.

(2) If the subscriber may be changed, disclose

- (a) the steps that are required to make the change,
- (b) the conditions or requirements that must be met to make the change,
- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

**15.5 – Changing Beneficiary**

(1) Under the sub-heading “Changing your beneficiary”, disclose whether or not a subscriber can change the beneficiary of a scholarship plan.

(2) If the beneficiary may be changed, disclose

- (a) the steps the subscriber must take to make the change,

- (b) the conditions or requirements that must be met to make the change,
- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

#### **15.6 – Death or Disability of Beneficiary**

(1) Under the sub-heading “Death or disability of the beneficiary”, disclose the options available to a subscriber in the event of the death or disability of the beneficiary of the scholarship plan.

(2) The disclosure under this item must include

- (a) how a disability is defined,
- (b) how each option may be initiated and the conditions or requirements that must be met for each option,
- (c) the fee for each option, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the option is selected.

#### **INSTRUCTIONS**

*(1) In discussing a change in contributions under a scholarship plan in response to section 15.1, state if the change in contributions may be made as a result of changing the contribution frequency or the number of units for which contributions are made.*

*(2) The disclosure of the conditions or requirements for making a change to the subscriber's plan required under this Item must include a description of any amounts required to be paid to make the change and the deadline for making the change.*

*(3) In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to this Item, state if the subscriber or the beneficiary might incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

#### **Item 16 – Transfer of Scholarship Plan**

##### **16.1 – Transferring to another plan managed by the investment fund manager**

(1) Under the heading “Transferring your plan” with the sub-heading “Transferring to [name the other scholarship plans managed by the investment fund manager of the scholarship plan]”, state whether or not the scholarship plan allows a subscriber to transfer from the current plan to any of the other plans offered by the investment fund manager.

(2) Disclose

- (a) the steps a subscriber must take to effect the transfer,
- (b) the conditions or requirements that must be met to effect the transfer,
- (c) the fee for the transfer,
- (d) the losses that may be incurred by the subscriber or the beneficiary if the transfer is made, and
- (e) for a group scholarship plan, whether or not a subscriber who has transferred out of a group plan may transfer back to the group plan.

##### **16.2 – Transferring to another RESP Provider**

(1) Under the sub-heading “Transferring to another RESP provider”, state whether or not the scholarship plan allows a subscriber to transfer to an RESP provider unrelated to the investment fund manager.

(2) Disclose

- (a) the steps a subscriber must take to effect the transfer,

- (b) the conditions or requirements that must be met to effect the transfer,
- (c) the fee for the transfer, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the transfer is made.

**16.3 – Transferring from another RESP Provider to the Scholarship Plan**

(1) Under the sub-heading “Transferring to this plan from another RESP provider”, state whether or not the scholarship plan allows a subscriber to transfer from an RESP provider unrelated to the investment fund manager to the scholarship plan.

(2) Disclose

- (a) the steps a subscriber must take to effect the transfer,
- (b) the conditions or requirements that must be met to effect the transfer, and
- (c) the fee for the transfer.

**INSTRUCTIONS**

*(1) The disclosure of the conditions or requirements that must be met to effect a transfer of a plan described under this Item must include a description of any amounts required to be paid to effect the transfer and the deadline for effecting the transfer.*

*(2) In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to this Item, state if the subscriber or the beneficiary might incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

**Item 17 – Default, Withdrawal or Cancellation**

**17.1 – Withdrawal or Cancellation by Subscriber**

(1) Under the heading “Default, withdrawal or cancellation” with the sub-heading “If you withdraw from or cancel your plan”, describe how a subscriber can withdraw from or cancel a scholarship plan.

(2) Describe the amounts a subscriber is entitled to receive if the subscriber withdraws from a scholarship plan up to 60 days after signing a contract.

(3) Describe the amounts a subscriber is entitled to receive if the subscriber cancels a scholarship plan more than 60 days after signing a contract.

(4) Disclose the charges payable by a subscriber for a cancellation or withdrawal.

(5) Disclose the losses that may be incurred by the subscriber or the beneficiary if the subscriber cancels or withdraws from their scholarship plan.

**17.2 – Subscriber Default**

(1) Under the sub-heading “If your plan goes into default”, describe the circumstances in which a subscriber may be noted in default under the scholarship plan.

(2) Disclose the steps the investment fund manager will take to notify the subscriber when a default described in subsection (1) occurs.

(3) Disclose the steps a subscriber can take to remedy a default and disclose the costs associated with remedying the default, including any amounts payable by the subscriber. For a default due to missed contributions, describe how any amount payable by a subscriber as a result of missed contributions is calculated.

(4) For each default, disclose whether remedying the default will qualify a subscriber and a beneficiary for the same payments under the scholarship plan as if the default had not occurred.



(5) Disclose whether a default results in the cancellation of a subscriber's plan by the investment fund manager if the default is not remedied. If an unremedied default does not result in the cancellation of the subscriber's plan, disclose the losses that may be incurred by the subscriber or the beneficiary due to the default.

**17.3 – Cancellation by Investment Fund Manager**

(1) Under the sub-heading "If we cancel your plan", describe any circumstances other than a subscriber's default in which the investment fund manager of the scholarship plan may cancel a subscriber's plan.

(2) Describe the amounts a subscriber is entitled to receive if the subscriber's scholarship plan is cancelled by the investment fund manager.

(3) Disclose the costs payable by a subscriber in connection with a cancellation by the investment fund manager.

(4) Disclose the losses that may be incurred by the subscriber or the beneficiary if the investment fund manager cancels the subscriber's scholarship plan.

**17.4 – Re-activation of Subscriber's Plan**

(1) If applicable, under the sub-heading "Re-activating your plan", describe the circumstances in which a subscriber may re-activate a plan after cancellation of the scholarship plan, and specify the costs associated with re-activation and who bears the costs.

(2) Disclose whether re-activating a plan will qualify a subscriber and a beneficiary for the same payments under the scholarship plan as if the cancellation had not occurred.

**17.5 – Plan Expiration**

Under the sub-heading, "If your plan expires", discuss the maximum duration of a subscriber's scholarship plan before it must be collapsed and what happens to the money from a collapsed scholarship plan.

**INSTRUCTIONS**

*(1) In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to Item 17, state whether the subscriber or the beneficiary may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

*(2) If the costs of putting a scholarship plan in good standing after missing contributions or re-activating a scholarship plan after cancellation include the payment of an amount equal to the interest that would have been earned on contributions required by the scholarship plan, disclose the rate as an annualized rate of interest and disclose how the rate is calculated.*

*(3) If an AIP may be received upon cancellation of a scholarship plan, include a cross-reference to the disclosure provided under Item 20 of Part C of this Form.*

**Item 18 – Plan Maturity**

**18.1 – Description of Plan Maturity**

(1) Under the heading "What happens when your plan matures", briefly explain what happens to a subscriber's scholarship plan at the maturity date.

(2) State whether the investment fund manager will notify the subscriber about the maturity date of their scholarship plan and how the notice is provided.

**INSTRUCTION**

*In responding to section 18.1, briefly explain what happens to the contributions, government grants and earnings at the maturity date, such as the earnings for a beneficiary group being transferred into an EAP account for distribution to qualified beneficiaries.*

## 18.2 – If the Beneficiary Does Not Enrol in Eligible Studies

(1) Under the sub-heading “If your beneficiary does not enrol in eligible studies”, state that a beneficiary who does not enrol in eligible studies will not receive EAPs from the scholarship plan.

(2) Describe the options for a subscriber whose beneficiary does not enrol in eligible studies and disclose the losses that may be incurred by the subscriber under each option.

(3) State whether a subscriber may be eligible to receive an AIP. If an AIP may be payable, provide a cross-reference to the disclosure provided under Item 20 of Part C of this Form.

### INSTRUCTIONS

(1) In responding to section 18.2, describe options including naming another beneficiary before the maturity date, transferring to another RESP or cancelling the scholarship plan.

(2) In describing the losses that may be incurred by the subscriber in response to subsection 18.2(2), cross-references to the disclosure provided under Items 15 to 17 of Part C of this Form may be provided, as applicable.

## Item 19 – Payments from the Scholarship Plan

### 19.1 – Return of Contributions

(1) Under the heading “Receiving payments from the plan” with the sub-heading “Return of contributions”, describe when and how contributions are returned to the subscriber. State whether the amount returned is net of sales charges and fees deducted from contributions.

(2) If all or a part of a subscriber’s contributions are returned, state what happens to the government grants. State whether it is possible for government grants to remain in the name of the beneficiary and if so, state the conditions or requirements that must be met to do so.

### 19.2 – Payments to Beneficiaries

(1) Under the sub-heading “Educational assistance payments”, disclose the conditions and requirements necessary for a beneficiary to receive EAPs under the scholarship plan, including the deadline for applying for EAPs, and state what happens if the beneficiary misses the deadline.

(2) Describe each option for paying EAPs to beneficiaries. For each option, disclose

- (a) the number of payments,
- (b) when each payment is made, and
- (c) for a group scholarship plan, the percentage of the maximum total amount of EAPs payable at each payment date.

(3) For a group scholarship plan, if the total amount of EAPs payable to beneficiaries differs based on the number of years of eligible studies, disclose the number of years of eligible studies that qualifies for the payment of the maximum total amount of EAPs and briefly describe the eligible studies with that duration.

(4) For a group scholarship plan that does not offer EAP payment options tailored to reduced programs, state, if applicable, that beneficiaries who enrol in eligible studies of a shorter duration than the full period will not qualify for the maximum number of EAPs and will receive a lower total amount of EAPs over the duration of their eligible studies than beneficiaries who enrol in eligible studies for the full period.

(5) For a group scholarship plan that offers EAP payment options tailored to reduced programs, if the total amount of EAPs payable under an EAP payment option tailored to reduced programs is less than the maximum total amount of EAPs, state the total amount of EAPs payable under the EAP payment option as a percentage of the maximum total amount of EAPs.

### INSTRUCTIONS

(1) In providing the disclosure under subsection 19.2(1), do not repeat the type of studies that qualify for EAPs. Instead, include a cross-reference to the disclosure provided under section 6.2 of Part C of this Form.

(2) The disclosure under subsection 19.2(1) must include a discussion of any requirements for a beneficiary to remain eligible for EAPs under the scholarship plan for each successive year of study.

(3) The “maximum total amount of EAPs” is the total amount of EAPs that can be received by a beneficiary who meets the requirements of the scholarship plan for receiving the maximum number and amount of EAPs.

(4) In providing the disclosure under subsection 19.2(3), describe generally the types of programs for which a beneficiary will receive the maximum total amount of EAPs (for example, four years of eligible studies that may consist of a 4-year program or two 2-year programs).

(5) The “full period” is the number of years of eligible studies that qualifies for the payment of the maximum total number and amount of EAPs.

(6) An “EAP payment option tailored to reduced programs” is an EAP payment option that pays approximately same total amount of EAPs for eligible studies with a shorter duration as the EAPs payable under the scholarship plan for eligible studies of longer duration. For example, an EAP payment option that makes two payments for a 2-year post-secondary program, where each payment is twice the amount of each of the four payments that would be made for a 4-year post-secondary program, is an EAP payment option tailored to reduced programs.

(7) A scholarship plan may use a table to illustrate the schedule of payments and the amount paid in each year of eligible studies for each EAP payment option offered.

### **19.3 – Amount of EAPs**

(1) Under sub-sub-heading, “How we determine EAP amounts”, state the components of EAPs paid under the scholarship plan.

(2) Describe how the value of EAPs is determined for each year of eligible study. State whether or not any oversight of the calculation of EAPs is provided by an entity other than the investment fund manager.

(3) Describe any restrictions, under the *Income Tax Act* (Canada) or the scholarship plan’s rules, on the amount of EAP that can be paid for each year of eligible studies.

(4) Describe, as applicable to the type of scholarship plan,

- (a) how unrealized capital gains or losses on investments in the scholarship plan are allocated;
- (b) how earnings attributable to units or plans cancelled before the maturity date are allocated;
- (c) how earnings attributable to units or plans cancelled after the maturity date are allocated;
- (d) how the difference between the maximum total amount of EAPs and the lower amount collected by beneficiaries who enrol in eligible studies that do not qualify for the maximum total amount of EAPs is allocated;
- (e) how the government grants accrued in the scholarship plan and the earnings from government grants are allocated.

#### **INSTRUCTION**

The amount for which disclosure is required under paragraph 19.3(4)(d) is the amount that is not collected by beneficiaries in a beneficiary group because they do not enrol in eligible studies of sufficient duration to qualify for the maximum total amount of EAPs.

### **19.4 – Payments from the EAP Account**

(1) This section applies to a group scholarship plan.

(2) Under the sub-sub-heading “Payments from the EAP account”, provide information in the form of the following table about the funding of the EAP account. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past breakdown of income in the EAP account” in bold type:

A portion of each EAP consists of a beneficiary’s share of the EAP account. The rest of an EAP is made up of the beneficiary’s government grants and the earnings on those government grants.

The EAP account holds the income earned on contributions made by subscribers. This includes the income earned on contributions of subscribers who have cancelled their plan or whose plan was cancelled by us. There is a separate EAP account for each beneficiary group.

**Past breakdown of income in the EAP account**

The table below shows the breakdown of income in the EAP account at the maturity date for the five beneficiary groups that most recently reached their year of eligibility.

The breakdown of income can vary by beneficiary group. The amount of income earned on contributions depends on the performance of the plan’s investments. The amount of income from cancelled plans depends on how many plans were cancelled, as well as the investment performance of that money.

	Beneficiary group				
	[Most recent year]	[Most recent year minus 1]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]
Income earned on contributions	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]
Income from cancelled plans	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]
<b>EAP account Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(3) Provide information in the form of the following table about the historical payment of amounts from the EAP account. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past payments from the EAP account” in bold type:

**Past payments from the EAP account**

The table below shows how much was paid from the EAP account per unit for the five beneficiary groups that most recently reached their year of eligibility. [For a scholarship plan that offers EAP payment options tailored to reduced programs, state – This table shows only the amount paid per unit for beneficiaries who selected the [specify EAP payment option for the full period]. We also offer [a] payment option[s] that pay[s] EAPs tailored to shorter programs].

Keep in mind that scholarship plans are generally long-term investments. The payments shown largely reflect investments made years ago. It’s important to note that this doesn’t tell you how much a beneficiary will receive in the future.

Year of studies	Payments from EAP account by beneficiary group				
	[Most recent year]	[Most recent year minus 1]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]
First year [if applicable] [See Instruction (2)]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]
Second year	See note 1	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]

Third year	See note 1	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit
Fourth year	See note 1	See note 1	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit

Note 1: The amount is not shown because the beneficiaries in this beneficiary group are not yet enrolled in that year of studies.

**INSTRUCTION**

The tables required in section 19.4 must list the five beneficiary groups that most recently reached their year of eligibility as at the date of the prospectus.

**19.5 – If Beneficiary Does Not Complete or Advance in Eligible Studies**

(1) For a group scholarship plan, immediately under the sub-heading “If your beneficiary does not complete or advance in eligible studies”, state the following using the same or substantially similar wording:

If your beneficiary does not complete or advance in their program, they may lose one or more EAPs. This can happen if your beneficiary does not complete all the courses required to advance to the next year of the program, decides to enrol in another program that is not considered an advancement from prior study, or drops out of school before completing their program.

[state, if applicable – Your beneficiary may be able to defer a payment if they go back to a qualifying program. Deferrals are at our discretion.]

(2) Under the sub-heading “If your beneficiary does not complete or advance in eligible studies”, disclose available options if the beneficiary does not complete or advance in their program.

(3) Disclose what happens to the earnings of the subscriber’s scholarship plan if the beneficiary does not complete or advance in their program. For a group scholarship plan, also provide a cross-reference to the disclosure provided under section 22.3 of Part C of this Form.

**INSTRUCTIONS**

(1) If the scholarship plan provides the option for a beneficiary to defer the payment of an EAP, state the period of time that an EAP may be deferred and the conditions and requirements that must be met to receive a deferred payment after the disclosure in the second paragraph of subsection 19.5(1).

(2) If the details of an option provided under subsection 19.5(2) have been disclosed elsewhere in the prospectus, provide a cross-reference to the disclosure contained in the prospectus. For example, if a subscriber may cancel their scholarship plan and receive an AIP, provide a cross-reference to the disclosure provided under Item 17 and Item 20 of Part C of this Form.

**Item 20 – Accumulated Income Payments**

**20.1 – Accumulated Income Payments**

(1) Under the sub-heading “Accumulated income payments”, disclose

- (a) the conditions or requirements necessary to receive an AIP,
- (b) the components of an AIP,
- (c) the option for a subscriber who has received an AIP to transfer the payment to a registered retirement savings plan, and
- (d) any costs or other losses that the subscriber or the beneficiary could incur in receiving an AIP.

(2) State whether there may be tax consequences as a result of receiving an AIP and provide a cross- reference to the disclosure provided under subsection 11.3(2) of Part B of this Form.

**Item 21 – Discretionary Payments to Beneficiaries**

**21.1 – Discretionary Payments to Beneficiaries**

- (1) Under the sub-heading “Discretionary payments”, if discretionary payments may be made to beneficiaries, state that beneficiaries may receive a discretionary payment in addition to their EAPs.
- (2) Disclose when discretionary payments are made.
- (3) State who decides whether a discretionary payment will be made and state the requirements or conditions that must be met in order to be eligible to receive a discretionary payment.
- (4) Disclose how the amount of discretionary payments is determined and the sources of funding for the discretionary payments.
- (5) Describe the circumstances that may affect the ability of the current sources of funding for the discretionary payments to continue to fund the discretionary payments.
- (6) State whether the investment fund manager or any other entity has put any mechanism in place to continue to make discretionary payments if any of the circumstances referred to in subsection (5) occur.
- (7) State whether the investment fund manager has established a funding and investment policy intended to ensure sufficient money is available to continue to fund discretionary payments at the historical levels reported in section 21.2 of Part C of this Form. Provide details of any funding policy and the current value of any fund. If no funding policy exists, state that fact and state the consequences of not having a policy.
- (8) State the following using the same or substantially similar wording with the first sentence in bold type:

**Discretionary payments are not guaranteed.** You must not count on receiving a discretionary payment. The [insert name of the entity funding the discretionary payment] decides if it will make a payment in any year and how much the payment will be. If the [insert name of the entity funding the discretionary payment] makes a payment, you may get less than what has been paid in the past. You may also get less than what is paid to beneficiaries in other beneficiary groups.

**21.2 – Historical Amount of Discretionary Payments**

Provide information in the form of the following table about the historical discretionary payments made. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past discretionary payments” in bold:

**Past discretionary payments**

The table below shows the amount of discretionary payments paid per unit for the five beneficiary groups that most recently reached their year of eligibility.

It’s important to note that this doesn’t tell you if a beneficiary will receive a payment or how much they will receive. We may decide not to make these payments in future years. If we do make payments, they could be less than what we’ve paid in the past.

	Discretionary payments by beneficiary group				
Year of studies	[Most recent year]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]	[Most recent year minus 5]
First year [if applicable]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]
Second year	See note 1	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]
Third year	See note 1	See note 1	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]

Fourth year	See note 1	See note 1	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit
-------------	------------	------------	------------	-----------------------------	-----------------------------

Note 1: The amount is not shown because the beneficiaries in this beneficiary group are not yet enrolled in that year of studies.

**INSTRUCTIONS**

(1) If the scholarship plan offers an EAP payment option tailored to reduced programs and the amount of discretionary payment per unit is the same for each EAP payment option, state, if applicable, that beneficiaries who select the EAP payment option tailored to reduced programs may receive a lesser total amount of discretionary payments than beneficiaries who receive the largest number of EAPs.

(2) If the amount of discretionary payment per unit is not the same for each EAP payment option, provide information, substantially in the form of the table required in section 21.2, for the historical discretionary payments per unit for each EAP payment option tailored to reduced programs.

**Item 22 – Attrition**

This Item applies to a group scholarship plan.

**22.1 – Attrition**

(1) Under the heading “Attrition”, state the following using the same or substantially similar wording:

You and your beneficiary must meet the terms of the plan in order for your beneficiary to qualify for all of the EAPs under the plan. If beneficiaries fail to qualify for some or all of their EAPs, there will be fewer beneficiaries remaining in the beneficiary group to share the amount of money available for paying EAPs. This is known as “attrition”.

Your beneficiary may not qualify for some or all of their EAPs if:

- before the maturity date of the plan, you cancel your plan or transfer your plan to another RESP, or we cancel your plan because you failed to make contributions on schedule and did not take action to keep your plan in good standing. This is known as “pre-maturity attrition”; or
- after the maturity date of the plan, your beneficiary decides not to pursue a post-secondary education, does not attend a qualifying education program, or does not attend a qualifying education institution for the maximum period provided for in the plan. This is known as “post-maturity attrition”.

**22.2 – Pre-Maturity Attrition**

(1) Under the sub-heading “Pre-maturity attrition”, state the following using the same or substantially similar wording:

If you leave the plan before it matures, you will get back your contributions less fees. You will not get back any earnings. The earnings on your contributions up to the time your plan is cancelled will go to the EAP account and be paid to the remaining beneficiaries in your beneficiary group as part of their EAPs.

(2) If the group scholarship plan permits a subscriber to receive an AIP on the earnings from government grants, state the following using the same or substantially similar wording:

You may, however, be eligible to receive an AIP on the earnings from the government grants in your plan. See “Accumulated income payments” for information on how to determine if you are eligible for an AIP from the plan.

(3) Provide information in the form of the following table about the income from cancelled units for each beneficiary group as at the scholarship plan’s most recent financial year end. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Income from cancelled units” in bold type:

**Income from cancelled units**

The table below shows the current value of the income from cancelled units by beneficiary group. The amount of income from cancelled plans available to beneficiaries after the maturity date will depend on how many subscribers cancel their plan, how many beneficiaries qualify for EAPs and the investment performance of the scholarship plan.

Beneficiary group	Percentage of units that have been cancelled	Total income from cancelled units available to remaining units	Income from cancelled units available to each remaining unit
<i>[Specify year of eligibility of oldest beneficiary group available for enrolment under the prospectus]</i>	<i>[Specify as percentage of total number of units purchased for beneficiary group]</i>	<i>[\$[Specify amount]]</i>	<i>[\$[Specify amount] per unit]</i>
<i>[Specify year of eligibility of next oldest beneficiary group available for enrolment under the prospectus]</i>	<i>[Specify as percentage of total number of units purchased for beneficiary group]</i>	<i>[\$[Specify amount]]</i>	<i>[\$[Specify amount] per unit]</i>
⋮			
<i>[Specify year of eligibility of youngest beneficiary group available for enrolment under the prospectus]</i>	<i>[Specify as percentage of total number of units purchased for beneficiary group]</i>	<i>[\$[Specify amount]]</i>	<i>[\$[Specify amount] per unit]</i>

(4) Provide information in the form of the following table about the pre-maturity attrition rate for the scholarship plan. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Plans that did not reach maturity” in bold type:

**Plans that did not reach maturity:**

The table below shows the percentage of plans that did not reach maturity for each of the five beneficiary groups shown below. The most common reasons why plans did not reach maturity were because the subscriber cancelled their plan, we cancelled their plan due to a default, the subscriber transferred to another type of plan we offer, or the subscriber transferred to another RESP provider.

Of the last five beneficiary groups of the [insert name of group scholarship plan], an average of [see Instruction (1)]% of the plans in each group were cancelled before their maturity dates.

Maturity date of beneficiary group	Percentage of plans that did not reach maturity
[Most recent maturity date by year]	[See Instruction (2)]%
[Most recent maturity date by year minus 1]	[See Instruction (2)]%
[Most recent maturity date by year minus 2]	[See Instruction (2)]%
[Most recent maturity date by year minus 3]	[See Instruction (2)]%
[Most recent maturity date by year minus 4]	[See Instruction (2)]%
<b>Average</b>	[See Instruction (1)]%



**INSTRUCTIONS**

(1) Disclose the average rate required under subsection 22.2(3) using the same calculation set out in the Instructions that apply to Item 9 of Part A of this Form.

(2) For each beneficiary group that had a maturity date in the five most recent years, calculate the percentage of plans that did not reach maturity by following Instructions (2) to (5) that apply to Item 9 of Part A of this Form.

**22.3 – Post-Maturity Attrition**

(1) Under the sub-heading “Post-maturity attrition”, state the following using the same or substantially similar wording:

If your beneficiary does not pursue or complete eligible studies, you will get back your contributions, less fees. You will not get back any earnings. *[Insert if applicable – A beneficiary may lose one or more EAPs if they do not enrol in four years of eligible studies.]*

(2) Provide information in the form of the following table about the EAP payment rates of the scholarship plan after maturity. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past payments of EAPs” in bold:

**Past payments of EAPs** *[state if the scholarship plan offers an EAP payment option tailored to reduced programs – four years of eligible studies]*

The table below shows the percentage of beneficiaries who received the maximum of *[insert maximum number of EAPs payable under the scholarship plan]* EAPs under the plan and those who received some or no EAPs, for each of the five beneficiary groups that would have most recently completed their eligible studies.

	Beneficiary group <i>[See Instruction (1)]</i>				
	<b>[Most recent year]</b>	<b>[Most recent year minus 1]</b>	<b>[Most recent year minus 2]</b>	<b>[Most recent year minus 3]</b>	<b>[Most recent year minus 4]</b>
Beneficiaries who received all [3 or 4] EAPs	<i>[Specify percentage]%</i> <i>[See Instructions (2) and (3)]</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>
Beneficiaries who received only 3 out of 4 EAPs [as applicable]	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>
Beneficiaries who received only 2 out of [3 or 4] EAPs	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>
Beneficiaries who received only 1 out of [3 or 4] EAPs	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>
Beneficiaries who received no EAPs	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>	<i>[Specify percentage]%</i>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(3) If the scholarship plan offers an EAP payment option tailored to reduced programs, provide information in the form of the following table about the EAP payment rates of the scholarship plan after maturity. Introduce the table using the following

wording or wording that is substantially similar with the title of the table “Past payments of EAPs [– [specify reduced number of years]-year program]” in bold:

**Past payments of EAPs [– [specify reduced number of years]-year program]**

For EAP payment options tailored to eligible studies of [specify reduced number of years] years, the table[s] below show[s] the number of beneficiaries who received all of their EAPs and the number who received some or none of their EAPs, for each of the five beneficiary groups that would have most recently completed their eligible studies.

	<b>Beneficiary group [See Instruction (1)]</b>				
	<b>[Most recent year]</b>	<b>[Most recent year minus 1]</b>	<b>[Most recent year minus 2]</b>	<b>[Most recent year minus 3]</b>	<b>[Most recent year minus 4]</b>
Beneficiaries who received [all] [1, 2, or 3] EAP[s]	[Specify percentage]% <i>[See Instructions (2) – (4)]</i>	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 2 out of 3 EAPs [as applicable]	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 1 out of [2 or 3] EAPs [as applicable]	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received no EAPs	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(4) Disclose in a footnote to the tables required under subsections (2) and (3) any change to the EAP payout option available to beneficiaries, if a change occurred in the past five years.

**INSTRUCTIONS**

(1) In the tables required under subsections 22.3(2) and (3), present the five most recent beneficiary groups by year of eligibility for which the maximum number of EAPs under the EAP payment option has been paid as at the most recent financial year end of the scholarship plan and beneficiaries in the beneficiary group have no further opportunity to collect EAPs. For example, do not include a beneficiary group that has been eligible to be paid only one EAP if the maximum number of EAPs payable is four.

(2) For a group scholarship plan that does not offer EAP payment options tailored to reduced programs, calculate each percentage as a percentage of the total number of beneficiaries in the beneficiary group at the maturity date.

For a group scholarship plan that offers EAP payment options tailored to reduced programs, calculate each percentage as a percentage of the total number of beneficiaries in the beneficiary group at the maturity date who selected the relevant payment option.

(3) Present the percentages as at the financial year end referred to in Instruction (1).

(4) For a group scholarship plan that offers EAP payment options tailored to reduced programs, in response to subsection 22.3(3), prepare a table for each payout option, modifying the number of rows in the table as applicable. For example, for a scholarship plan that provides the option to elect payment of two EAPs for a 3- year program, present a table containing rows to show the number of beneficiaries who received two out of two EAPs, the number of beneficiaries who received only one out of two EAPs and the number of beneficiaries who received no EAPs.

## Item 23 – Other Material Information

### 23.1 – Other Material Information

(1) Under the heading “Other important information”, state any other material facts relating to the securities being offered that are not disclosed under any other item in this Form and are necessary for the prospectus to contain full, true and plain disclosure of all material facts about the securities to be distributed.

(2) Provide any specific disclosure required to be disclosed in a prospectus under securities legislation that is not otherwise required to be disclosed by this Form.

(3) Subsection (2) does not apply to requirements of securities legislation that are form requirements for a prospectus.

#### INSTRUCTIONS

(1) *Sub-headings that are not mandated by this Form may be used in this Item.*

(2) *For a single prospectus, provide this disclosure either under this Item or under Item 14 of Part B of this Form, whichever is more appropriate.*

(3) *For a multiple prospectus, provide this disclosure under this Item if the disclosure does not pertain to all of the scholarship plans described in the document. If the disclosure pertains to all of the scholarship plans described in the Detailed Plan Disclosure, provide the disclosure under Item 14 of Part B of this Form.*

## Part D – Detailed Plan Disclosure – Information about the Organization

### Item 1 – Legal Structure of the Scholarship Plan

#### 1.1 – Legal Structure

(1) At the top of the first page of the Part D section of the prospectus, under the heading “About [*insert name of the scholarship plan provider*]” with the sub-heading “An overview of the structure of our plan[s]”, state the full corporate name of the scholarship plan or, if the scholarship plan is an unincorporated entity, the full name under which it carries on business, and the address of its head or registered office.

(2) State the names of the scholarship plan’s directors, officers, trustees and partners, as applicable.

(3) State the laws under which the scholarship plan was formed or, if the scholarship plan is an unincorporated entity, the laws under which it carries on business, and the date and manner of its formation.

(4) Identify the constating documents of the scholarship plan and, if any material amendments have occurred in the last 10 years, state that the constating documents have been amended in the last 10 years and describe the amendments.

(5) If the scholarship plan’s name has changed in the last 10 years, state the scholarship plan’s former name and the date(s) on which it was changed.

#### INSTRUCTION

*The information required for this Item may be presented in the form of a table.*

### Item 2 – Organization and Management Details

#### 2.1 – Directors and Officers of the Plan

(1) Under the sub-heading “Directors and officers of the Plan”, list the names, the municipality of residence or postal address, and the principal occupations at, or within the five years preceding the date of the prospectus, of all directors or executive officers of the scholarship plan.

(2) If the principal occupation of a director or executive officer of the scholarship plan is that of a partner, director or officer of a company other than the scholarship plan, state the business in which the company is engaged.

(3) If a director or executive officer of a scholarship plan has held more than one position in the scholarship plan, state only the first and last positions held.

## 2.2 – Investment Fund Manager

(1) Under the sub-heading “Manager of the scholarship plan”, state the name, address, telephone number, e-mail address and, if applicable, website address of the investment fund manager of the scholarship plan.

(2) Provide particulars of the investment fund manager, including the legal structure of the investment fund manager, the history and background of the investment fund manager.

(3) Under the sub-sub-heading “Duties and services to be provided by the manager”, describe the duties and services provided by the investment fund manager of the scholarship plan.

(4) Under the sub-sub-heading “Details of the management agreement”, provide a brief description of the essential terms of any agreement with the investment fund manager entered into or to be entered into with the scholarship plan, including any termination rights.

(5) Under the sub-sub-heading “Officers and directors of the manager”, state

- (a) the name and municipality of residence of each partner, director and executive officer of the investment fund manager and indicate the respective positions held with the investment fund manager and their respective principal occupations within the five preceding years,
- (b) if a partner, director or executive officer of the investment fund manager has held more than one office with the investment fund manager within the past five years, state only the current office held, and
- (c) if the principal occupation of a partner, director or executive officer of the investment fund manager is with an organization other than the investment fund manager, state the principal business in which the organization is engaged.

(6) Under the sub-sub-heading “Cease trade orders and bankruptcies”,

- (a) if applicable, state if a partner, director or executive officer of the investment fund manager, the scholarship plan, the foundation or any other entity responsible for the day-to-day administration of the scholarship plan is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any other issuer, that was
  - (i) subject to an order that was issued while the partner, director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer, or
  - (ii) was subject to an order that was issued after the partner, director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer, and
- (b) if a statement is required by paragraph (a), describe the basis on which the order was made and whether the order is still in effect.

(7) For the purposes of subsection (6), “order” means any of the following, if in effect for a period of more than 30 consecutive days:

- (a) a cease trade order;
- (b) an order similar to a cease trade order;
- (c) an order that denied the relevant issuer access to any exemption under securities legislation.

(8) If applicable, state if a partner, director or executive officer of the investment fund manager, the scholarship plan, the foundation or any other entity responsible for the day-to-day administration of the scholarship plan

- (a) is, as at the date of the prospectus or pro forma prospectus, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a partner, director or executive officer of any issuer that, while that person was acting in that capacity, or within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was

subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or

- (b) within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the partner, director or executive officer.

#### **INSTRUCTIONS**

*(1) If any of the duties or functions of the investment fund manager are performed by another entity, the disclosure required under subsections (2), (3), (4) and (5) must also be provided for that entity.*

*(2) The disclosure required by subsections (6) and (8) also applies to any personal holding companies of any of the persons referred to in subsections (6) and (8).*

*(3) A management cease trade order that applies to directors and executive officers of the scholarship plan is an "order" for the purposes of paragraph (10)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was specifically named in the order.*

#### **2.3 – Trustee**

Under the sub-heading "Trustee", provide details of the trustee of the scholarship plan, including the municipality and the province or country where the trustee principally provides its services to the scholarship plan.

#### **2.4 – The Foundation**

(1) Under the sub-heading "The Foundation", state the name and municipal address of the Foundation.

(2) Describe the role of the Foundation, including its mandate and responsibilities.

(3) List the names and municipality of residence of the directors and executive officers of the Foundation, the respective positions and offices held with the Foundation, and their respective principal occupations at, or within the five years preceding, the date of the prospectus.

(4) If a director or executive officer of the Foundation has held more than one office with the Foundation within the last five years, state only the current office held.

(5) If the Foundation provides reports of its activities to subscribers, provide information about how frequently reports are prepared, how a subscriber may obtain a copy of the report, and whether there is any cost to obtaining a report.

#### **2.5 – Independent Review Committee**

(1) Under the sub-heading "Independent review committee", briefly describe the independent review committee of the scholarship plan, including

- (a) the mandate and responsibilities of the independent review committee, and
- (b) the composition of the independent review committee, including the names of its members, and the reasons for any change in its composition since the date of the most recently filed prospectus of the scholarship plan, as applicable.

(2) State the following using the same or substantially similar wording:

At least annually, the independent review committee prepares a report of its activities for subscribers that is available on the [scholarship plan's/investment fund family's] Internet site at [*insert scholarship plan's Internet site address*], or at the subscriber's request at no cost, by contacting the [scholarship plan/ investment fund family] at [scholarship plan's/investment fund family's email address].

## 2.6 – Other Groups

Under separate sub-headings with the name of each applicable body or group, provide detailed information describing any other body or group that has responsibility for plan governance or performs any kind of oversight function over the scholarship plan and its activities, and the extent to which its members are independent of the investment fund manager of the scholarship plan.

### INSTRUCTION

*For greater certainty, an applicable body or group includes any committees or sub-committees of the investment fund manager or the Foundation that are established for a specific purpose in respect of the scholarship plan, as well as any third-party dispute resolution service to which the scholarship plans belong or subscribe to.*

## 2.7 – Remuneration of Directors, Officers, Trustees and Independent Review Committee Members

(1) Under the sub-heading “Compensation of directors, officers, trustees, and independent review committee members”, if the management functions of the scholarship plan are carried out by employees of the scholarship plan, provide for each employee the disclosure concerning executive compensation that is required to be provided for executive officers of an issuer under securities legislation.

(2) Describe any arrangements under which compensation was paid or payable directly or indirectly by the scholarship plan during the most recently completed financial year of the scholarship plan, for the services of the directors of the scholarship plan, the directors of the Foundation or other independent board of governors or advisory board that may perform a similar function, and the members of the independent review committee of the scholarship plan and include the amounts paid, the name of the individual and any expenses reimbursed by the scholarship plan to the individual:

- (a) in any of those capacities, including any additional amounts payable for committee participation or special assignments;
- (b) in the capacity as a consultant or expert.

(3) For a scholarship plan that is a trust, describe the arrangements, including the amounts paid and expenses reimbursed, under which compensation was paid or payable by the scholarship plan during the most recently completed financial year of the scholarship plan for the services of the trustee or trustees of the scholarship plan.

### INSTRUCTION

*The disclosure required under subsection 2.5 (1) regarding executive compensation for management functions carried out by employees of a scholarship plan must be made in accordance with the disclosure requirements of Form 51-102F6 Statement of Executive Compensation.*

## 2.8 – Portfolio Adviser

(1) Under the sub-heading “Portfolio adviser” if the investment fund manager provides portfolio management services in connection with the scholarship plan, state that fact.

(2) If the investment fund manager does not provide portfolio management services to the scholarship plan, state the name(s) and municipality and the province or country of the principal or head office for each portfolio adviser of the scholarship plan.

(3) State

- (a) the extent to which investment decisions are made by certain individuals employed by the investment fund manager or a portfolio adviser and whether those decisions are subject to the oversight, approval or ratification of a committee, and
- (b) the name, title and length of time of service of the persons employed by or associated with the investment fund manager or a portfolio adviser of the scholarship plan who are principally responsible for the day-to-day management of a material portion of the portfolio of the scholarship plan, implementing a particular material strategy or managing a particular segment of the portfolio of the scholarship plan, and each person’s business experience in the last five years.

(4) Under the sub-sub-heading “Details of the portfolio advisory agreement”, provide a brief description of the essential details of any portfolio advisory agreement that a portfolio adviser has entered into or will be entering into with the scholarship plan or the investment fund manager of the scholarship plan, including any termination rights.

## 2.9 – Principal Distributor

- (1) Under the sub-heading “Principal distributor”, state the name and address of the principal distributor of the scholarship plan.
- (2) Describe the circumstances under which any agreement with the principal distributor of the scholarship plan may be terminated, and include a brief description of the essential terms of this agreement.

## 2.10 – Dealer Compensation

- (1) Under the sub-heading “Dealer compensation”, describe
  - (a) all compensation payable by members of the organization of the scholarship plan to all principal distributors and any participating dealers of the scholarship plan, and
  - (b) the sales practices followed by the members of the organization of the scholarship plan for distribution of securities of the scholarship plan.
- (2) Disclose, under the sub-sub-heading “Dealer compensation from management fees”, the approximate percentage obtained from a fraction
  - (a) the numerator of which is the aggregate amount of cash paid to registered dealers in the last completed financial year of the investment fund manager of the scholarship plan, for payments made
    - (i) by
      - (A) the investment fund manager of the scholarship plan, or
      - (B) an associate or an affiliate of the investment fund manager,
    - (ii) in order to
      - (A) pay compensation to registered dealers in connection with the distribution of securities of the scholarship plan or scholarship plans that are members of the same investment fund family as the scholarship plan, or
      - (B) pay for any marketing, fund promotion or educational activity in connection with the scholarship plan or scholarship plans that are members of the same investment fund family as the scholarship plan, and
  - (b) the denominator of which is the aggregate amount of management or administrative fees received by the investment fund manager of the scholarship plan and all other scholarship plans in the same investment fund family as the scholarship plan in the last completed financial year of the investment fund manager.

### INSTRUCTIONS

- (1) Briefly state the compensation paid and the sales practices followed by the members of the organization of the scholarship plan in a concise and explicit manner. The term “member of the organization” has the same meaning as in NI 81-105, except that “scholarship plan” is substituted for “mutual fund” in this Form.*
- (2) The disclosure presented under this Item must be described as information about the approximate percentage of management fees paid by scholarship plans in the same investment fund family as the scholarship plan that were used to fund commissions or other promotional activities of the investment fund family in the most recently completed financial year of the investment fund manager of the scholarship plan.*
- (3) The calculations made under this Item must take into account the payment of sales commissions, other commissions and the costs of participation in co-operative marketing, fund promotion and educational conferences.*
- (4) If the investment fund manager of the scholarship plan charges an “all-inclusive fee”, which includes the management or administrative fee, and other types of fees normally paid by the scholarship plan, such as custodian, trustee or portfolio management fees, only the portion of that all-inclusive fee that is attributable to the management or administrative fees payable to the investment fund manager must be used in calculating the denominator referred to in paragraph 2.10(2)(b).*

### 2.11 – Custodian

(1) Under the sub-heading “Custodian”, state the name, municipality of the principal or head office, and nature of business of the custodian and any principal sub-custodian of the scholarship plan.

(2) Describe generally the sub-custodial arrangements of the scholarship plan.

#### INSTRUCTION

*A “principal sub-custodian” is a sub-custodian to whom custodial authority has been delegated in respect of a material portion or segment of the portfolio assets of the scholarship plan.*

### 2.12 – Auditor

Under the sub-heading “Auditor”, state the name and address of the auditor of the scholarship plan.

### 2.13 – Transfer Agent and Registrar

Under the sub-heading “Transfer agent and registrar”, for each class or series of securities offered by the scholarship plan under the prospectus, state the name of the scholarship plan’s transfer agent(s), registrar(s), trustee, or other agent appointed by the scholarship plan to maintain the securities register and the register of transfers for such securities and indicate the location (by municipalities) of each of the offices of the scholarship plan or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

### 2.14 – Promoter

(1) Under the sub-heading “Promoter”, for a person or company that is, or has been within the two years immediately preceding the date of the prospectus or pro forma prospectus, a promoter of the scholarship plan, and if that person or company is not otherwise identified as the investment fund manager or dealer of the scholarship plan, state

- (a) the person or company’s name and municipality and the province or country of residence,
- (b) the number and percentage of each class or series of voting securities and equity securities of the scholarship plan or any of its subsidiaries owned, or controlled or directed, directly or indirectly, by the person or company,
- (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind, received or to be received by the promoter, directly or indirectly from the scholarship plan or from an associate or an affiliate of the scholarship plan, and the nature and amount of any assets, services or other consideration received or to be received by the scholarship plan, or an associate or an affiliate of the scholarship plan, in return, and
- (d) for an asset acquired within the two years before the date of the preliminary prospectus or pro forma prospectus, or to be acquired, by the scholarship plan or by an associate or an affiliate of the scholarship plan from a promoter,
  - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,
  - (ii) the person or company making the determination referred to in subparagraph (i) and the person’s or company’s relationship with the scholarship plan, the promoter or an associate or an affiliate of the scholarship plan or of the promoter, and
  - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

(2) If a promoter referred to in subsection (1) is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any person or company that was subject to an order that was issued while the promoter was acting in the capacity of director, chief executive officer or chief financial officer, state the fact and describe the basis on which the order was made and whether the order is still in effect.

(3) If a promoter referred to in subsection (1) is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any person or company that was subject to an order that was issued after the promoter ceased to be a



director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, state that fact and describe the basis on which the order was made and whether the order is still in effect.

(4) For the purposes of subsections (2) and (3), "order" means any of the following, if in effect for a period of more than 30 consecutive days:

- (a) a cease trade order;
- (b) an order similar to a cease trade order;
- (c) an order that denied the relevant person or company access to any exemption under securities legislation.

(5) State if a promoter referred to in subsection (1):

- (a) is, as at the date of the prospectus or pro forma prospectus, as applicable, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a partner, director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceeding, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

**INSTRUCTIONS**

*(1) The disclosure required by subsections (2), (3) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (3), and (5).*

*(2) A management cease trade order that applies to a promoter referred to in subsection (1) is an "order" for the purposes of subsections (2) and (3) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*

*(3) The disclosure requirement in subsection (2) applies only if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The scholarship plan does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

**2.15 – Other Service Providers**

Under the sub-heading "Other service providers", state the name, municipality of the principal or head office, and the nature of business of each other person or company that provides services relating to portfolio valuation, securityholder records, fund accounting or other material services, in respect of the scholarship plan, and describe the material features of the contractual arrangements by which the person or company has been retained.

**2.16 – Ownership of the Investment Fund Manager and Other Service Providers**

(1) The information required in response to this Item must be given as of a specified date within 30 days before the date of the prospectus.

(2) Under the sub-heading "Ownership of the manager and other service providers", disclose the percentage of securities of each class or series of voting securities of the investment fund manager of the scholarship plan owned of record or beneficially by each person or company that owns of record, or is known by the investment fund manager to beneficially own more than 10% of any class or series of voting securities of the investment fund manager, and disclose whether the securities are owned both of record and beneficially, of record only, or beneficially only.

(3) For any person or company that is named in response to subsection (2), disclose the name of any person or company of which the first-mentioned person or company is a "controlled entity".

(4) If any person or company named in subsection (2) owns of record or beneficially, more than 10% of any class or series of voting securities of the principal distributor of the scholarship plan, disclose the number and percentage of securities of the class or series so owned.

- (5) Disclose the percentage of securities of each class or series of voting or equity securities beneficially owned in aggregate,
- (a) by all the directors and executive officers of the scholarship plan in each of
    - (i) the investment fund manager, and
    - (ii) any person or company that provides services to the scholarship plan or the investment fund manager; and
  - (b) by all the directors and executive officers of the investment fund manager of the scholarship plan in each of
    - (i) the investment fund manager, and
    - (ii) any person or company that provides services to the scholarship plan or the investment fund manager;
  - (c) by all the members of the independent review committee of the scholarship plan in each of
    - (i) the investment fund manager, and
    - (ii) any person or company that provides services to the scholarship plan or the investment fund manager; and
  - (d) by all the directors and executive officers of the foundation in each of
    - (i) the investment fund manager, and
    - (ii) any person or company that provides services to the scholarship plan or the investment fund manager.

**INSTRUCTION**

*A person or company is a “controlled entity” of another person or company if any of the following apply:*

- (a) *in the case of the person or company*
  - (i) *voting securities of the first-mentioned person or company carrying more than 50% of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the second-mentioned person or company, and*
  - (ii) *the votes carried by the securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned person or company;*
- (b) *in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or company holds more than 50% of the interests in the partnership;*
- (c) *in the case of a limited partnership, the general partner is the second-mentioned entity or company.*

**2.17 – Affiliates of the Investment Fund Manager**

(1) If any person or company that provides services to the scholarship plan or the investment fund manager in relation to the scholarship plan is an affiliate of the investment fund manager, illustrate the relationships of those affiliates in the form of an appropriately labelled diagram, under the sub-heading “Affiliates of the manager”.

(2) Identify any individual who is a director or executive officer of the scholarship plan or the investment fund manager and also of any affiliate of the investment fund manager described in response to subsection (1), and give particulars of the relationship.

### Item 3 – Experts

#### 3.1 – Names of Experts

Under the heading “Experts who contributed to this prospectus”, name each person or company

- (a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or any amendment to the prospectus, and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

#### 3.2 – Interests of Experts

(1) Disclose all registered or beneficial ownership in any securities, assets or other property of the scholarship plan or of an associate or an affiliate of the scholarship plan received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the scholarship plan prospectus or prepared or certified a report, valuation, statement or opinion described or included in the prospectus.

(2) For the purpose of subsection (1), if the ownership is less than 1%, a general statement to that effect is sufficient.

(3) If an individual, or a director, officer or employee of a person or company, referred to in subsection (1), is or is expected to be elected, appointed or employed as a director, officer or employee of the scholarship plan or of any associate or affiliate of the scholarship plan, disclose that fact.

(4) Despite subsection (1), an auditor who is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or has performed an audit in accordance with the U.S. GAAS is not required to provide the disclosure required by subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or that the auditor has complied with the SEC’s rules on auditor independence.

#### *INSTRUCTION*

*In addition to the scholarship plan’s current auditor, the disclosure referred to in section 3.2 must be provided for the scholarship plan’s predecessor auditor for those periods for which it was the scholarship plan’s auditor.*

### Item 4 – Subscriber Matters

#### 4.1 – Subscriber Matters

Under the heading, “Subscriber matters” and the sub-heading “Meetings of subscribers”, describe the circumstances, processes and procedures for holding a subscriber meeting and for any extraordinary resolutions.

#### 4.2 – Matters Requiring Subscriber Approval

Under the sub-heading “Matters requiring subscriber approval”, describe the matters that require subscriber approval.

#### 4.3 – Amendments to Declaration of Trust

For a scholarship plan established pursuant to a declaration of trust, under the sub-heading “Amendments to the declaration of trust”, describe the circumstances, processes and procedures required to amend the declaration of trust.

#### 4.4 – Reporting to Subscribers and Beneficiaries

Under the sub-heading “Reporting to subscribers and beneficiaries”, describe the information or reports that will be delivered or made available to subscribers and beneficiaries and the frequency with which such information or reports will be delivered or made available to subscribers, including any requirements under securities legislation.

## Item 5 – Business Practices

### 5.1 – Policies

Describe, under the heading “Business Practices” with the sub-heading “Our policies”, the policies, practices and guidelines of the scholarship plan or the investment fund manager relating to business practices, sales practices, risk management controls and internal conflicts of interest and, if the scholarship plan or the investment fund manager of the scholarship plan has no such policies, practices or guidelines, state that fact.

### 5.2 – Brokerage Arrangements

(1) If any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state, under the sub-heading “Brokerage arrangements”

- (a) the process for, and factors considered in, selecting a dealer to effect securities transactions for the scholarship plan, including whether receiving goods or services in addition to order execution is a factor, and whether and how the process may differ for a dealer that is an affiliated entity,
- (b) the nature of the arrangements under which order execution goods and services or research goods and services might be provided,
- (c) each type of good or service, other than order execution, that might be provided, and
- (d) the method by which the portfolio adviser makes a good faith determination that the scholarship plan, on whose behalf the portfolio adviser directs any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of any order execution goods and services or research goods and services, by the dealer or a third party, receives reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid.

(2) Since the date of the last prospectus, if any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service by the dealer or a third party, other than order execution, state

- (a) each type of good or service, other than order execution, that has been provided to the manager or portfolio adviser of the scholarship plan, and
- (b) the name of any affiliated entity that provided any good or service referred to in paragraph (a), separately identifying each affiliated entity and each type of good or service provided by each affiliated entity.

(3) If any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state that the name of any other dealer or third party that provided a good or service referred to in paragraph (2)(a), that was not disclosed under paragraph (2)(b), will be provided upon request by contacting the scholarship plan, and provide a telephone number and email address for the scholarship plan.

#### INSTRUCTION

*Terms defined in National Instrument 23-102 Use of Client Brokerage Commissions have the same meaning where used in this Item.*

### 5.3 – Valuation of Portfolio Investments

(1) Under the sub-heading “Valuation of portfolio investments”, describe the methods used to value the various types or classes of portfolio assets of the scholarship plan and its liabilities.

(2) If the valuation principles and practices established by the investment fund manager differ from Canadian GAAP, describe the differences.

(3) If the investment fund manager has discretion to deviate from the scholarship plan’s valuation practices described in subsection (1), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three years, provide an example of how it has been exercised or, if it has not been exercised in the past three years, state that fact.

#### 5.4 – Proxy Voting Disclosure for Portfolio Securities Held

(1) Unless the scholarship plan invests exclusively in non-voting securities, under the sub-heading “Proxy voting”, describe the policies and procedures that the scholarship plan follows when voting proxies relating to portfolio securities, including

- (a) the procedures followed when a vote presents a conflict between the interests of securityholders and those of the scholarship plan’s investment fund manager, portfolio adviser, or any associate or affiliate of the scholarship plan, its investment fund manager or its portfolio adviser, and
- (b) any policies and procedures of the scholarship plan’s portfolio adviser, or any other third party that the scholarship plan follows, or that are followed on the scholarship plan’s behalf, to determine how to vote proxies relating to portfolio securities.

(2) State the following:

The policies and procedures that the scholarship plan follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling [*insert toll-free/collect call telephone number*] or by writing to [*insert mailing address*].

(3) State that the scholarship plan’s proxy voting record for the most recent period ended June 30 of each year is available free of charge to any securityholder of the scholarship plan upon request at any time after August 31 of that year. Provide the scholarship plan’s website address where the proxy voting record is available for review.

#### Item 6 – Conflicts of Interest

##### 6.1 – Conflicts of Interest

Under the heading “Conflicts of interest”, disclose particulars of existing or potential material conflicts of interest between

- (a) the scholarship plan and the foundation or any partner, director or executive officer of the foundation,
- (b) the scholarship plan and the investment fund manager or promoter or any partner, director or executive officer of the investment fund manager or promoter, and
- (c) the scholarship plan and the portfolio adviser or any partner, director or executive officer of the portfolio adviser of the scholarship plan.

##### 6.2 – Interests of Management and Others in Material Transactions

(1) Under the sub-heading “Interests of management and others in material transactions”, describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the prospectus or pro forma prospectus that has materially affected or is reasonably expected to materially affect the scholarship plan:

- (a) a partner, director or executive officer of the investment fund manager;
- (b) a person or company that owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of the scholarship plan or the investment fund manager;
- (c) an associate or an affiliate of any of the persons or companies referred to in paragraph (a) or (b).

#### Item 7 – Material Contracts

##### 7.1 – Material Contracts

(1) Under the heading “Key business documents”, list and provide particulars of

- (a) the subscribers’ sales agreement or contract,
- (b) the articles of incorporation, the declaration of trust or trust agreement of the scholarship plan or any other constituting document,
- (c) any agreement of the scholarship plan or trustee with the investment fund manager of the scholarship plan,

- (d) any agreement of the scholarship plan, the investment fund manager or trustee with the portfolio adviser of the scholarship plan,
- (e) any agreement of the scholarship plan, the investment fund manager or trustee with the custodian of the scholarship plan,
- (f) any agreement of the scholarship plan, the investment fund manager or trustee with the principal distributor of the scholarship plan,
- (g) any other contract or agreement that can reasonably be regarded as material to an investor in the securities of the scholarship plan, and
- (h) any contract or agreement with governmental bodies to assist beneficiaries in obtaining government grants and incentives.

(2) State a reasonable time and place where the contracts or agreements listed in response to subsection (1) may be inspected by prospective or existing subscribers.

(3) Include, in describing the particulars of a contract, the date of, parties to, consideration paid by the scholarship plan under, key terms including termination provisions of, and the general nature of the contract.

**INSTRUCTION**

*Provide a list of all the contracts for which particulars must be given under this Item and indicating which of those contracts are described elsewhere in the prospectus, if applicable. Provide particulars only for those contracts that are not described elsewhere in the prospectus.*

**Item 8 – Legal Matters**

**8.1 – Exemptions and Approvals**

Under the heading “Legal matters” with the sub-heading “Exemptions and approvals under securities laws”, describe all exemptions from or approvals under securities legislation that are not otherwise disclosed under Item 9 of Part B or Item 9 of Part C of this Form, as applicable, obtained by the scholarship plan or the investment fund manager that continue to be relied upon by the scholarship plan or the investment fund manager, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 19.3 of the Instrument.

**8.2 – Legal and Administrative Proceedings**

(1) Under the sub-heading “Legal and administrative proceedings”, describe briefly any ongoing legal and administrative proceedings material to the scholarship plan, to which the scholarship plan, the investment fund manager, the promoter, the foundation, or the principal dealer is a party.

(2) For all matters disclosed under subsection (1), state

- (a) the name of the court or agency having jurisdiction,
- (b) the date on which the proceeding commenced,
- (c) the principal parties to the proceeding,
- (d) the nature of the proceeding and, if applicable, the amount claimed, and
- (e) whether the proceedings are being contested and the present status of the proceedings.

(3) Provide similar disclosure about any proceedings known to be contemplated.

(4) If the investment fund manager, the foundation, or promoter of the scholarship plan, or a director or officer of the scholarship plan or the partner, director or officer of the investment fund manager or the foundation has, within the 10 years before the date of the prospectus, been subject to any penalties or sanctions imposed by a court or securities regulator relating to trading in securities, promotion or management of an investment fund, or theft or fraud, or has entered into a settlement agreement with a regulatory authority in relation to any of these matters, describe the penalties or sanctions imposed and the ground on which they were imposed or the terms of the settlement agreement.

## **Item 9 – Certificates**

### **9.1 – Certificate of the Scholarship Plan**

Include a certificate of the scholarship plan in the following form:

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus, as required by the securities legislation of *[insert the jurisdictions in which qualified]*.

### **9.2 – Certificate of the Investment Fund Manager**

Include a certificate of the investment fund manager of the scholarship plan in the same form as the certificate of the scholarship plan.

### **9.3 – Certificate of the Principal Distributor**

If there is a principal distributor of the scholarship plan, include a certificate of the principal distributor of the scholarship plan in the same form as the certificate of the scholarship plan.

### **9.4 – Certificate of the Promoter**

If there is a promoter of the scholarship plan, include a certificate of each promoter of the scholarship plan in the same form as the certificate of the scholarship plan.

### **9.5 – Amendments**

(1) For an amendment to a scholarship plan prospectus that does not restate the prospectus, change “prospectus” to “prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 9.1 to 9.4.

(2) For an amended and restated scholarship plan prospectus, change “prospectus” to “amended and restated prospectus” wherever it appears in the statements in sections 9.1 to 9.4.

23. This Instrument comes into force on May 31, 2013.

5.1.2 Amendments to NI 41-101 General Prospectus Requirements and Companion Policy 41-101CP

**AMENDMENTS TO  
NATIONAL INSTRUMENT 41-101 GENERAL PROSPECTUS REQUIREMENTS**

1. **National Instrument 41-101 General Prospectus Requirements is amended by this Instrument.**

2. **Section 1.1 is amended by**

(a) **in the definition of “executive officer”,**

(i) **adding “or an investment fund manager” after “means, for an issuer”,**

(ii) **adding “(a.1) a chief executive officer or chief financial officer” after “(a) a chair, vice-chair or president,”, and**

(iii) **in paragraph (c), adding “or investment fund manager” after “issuer”.**

(b) **after the definition of “over-allotment option”, adding the following definition:**

“personal information form” means,

(a) a completed Schedule 1 of Appendix A, or

(b) a completed TSX/TSXV personal information form submitted by an individual to the Toronto Stock Exchange or to the TSX Venture Exchange to which is attached a completed certificate and consent in the form set out in Schedule 1 – Part B of Appendix A;”,

(c) **after the definition of “personal information form”, adding the following definition:**

“predecessor personal information form” means,

(a) a completed Schedule 1 of Appendix A in the form that was in effect from March 17, 2008 until May 14, 2013, or

(b) a completed TSX/TSXV personal information form to which is attached a completed certificate and consent in the form that was in effect from March 17, 2008 until May 14, 2013”, **and**

(d) **after the definition of “transition year”, adding the following definition:**

“TSX/TSXV personal information form” means a personal information form for an individual pursuant to Toronto Stock Exchange Form 4 or TSX Venture Exchange Form 2A, each as amended from time to time;”.

3. **Subsection 2.3(1) is amended by**

(a) **replacing “a final prospectus” with “its first amendment to a preliminary prospectus”, and**

(b) **deleting “that relates to the final prospectus”.**

4. **Section 2.3 is amended by adding the following subsections after subsection 2.3(1):**

“(1.1) An issuer must not file a final prospectus more than 90 days after the date of the receipt for the preliminary prospectus or an amendment to the preliminary prospectus which relates to the final prospectus.

(1.2) If an issuer files an amendment to a preliminary prospectus, the final prospectus must be filed within 180 days from the date of the receipt of the preliminary prospectus.”.

5. **Part 5 is amended by adding the following section after section 5.10:**

**“Certificate of principal distributor**

**5.10.1 (1)** If the issuer is an investment fund that has a principal distributor, a prospectus must contain a certificate, in the applicable underwriter certificate form, signed by the principal distributor.



- (2) The certificate to be signed by the principal distributor must be signed by an officer or director of the principal distributor who is authorized to sign.”

6. **Section 9.1 is amended by renumbering it as subsection 9.1(1).**

7. **Subparagraph 9.1(1)(b)(ii) is amended by**

- (a) **replacing** “Appendix A” **with** “personal information form”, **and**  
(b) **deleting** “for whom the issuer has not previously filed or delivered.”.

8. **Clause 9.1(1)(b)(ii)(D) is amended by replacing** “promoter,” **with** “promoter;”.

9. **Clause 9.1(1)(b)(ii)(E) is repealed.**

10. **Clause 9.1(1)(b)(ii)(F) is repealed.**

11. **Clause 9.1(1)(b)(ii)(G) is repealed.**

12. **Section 9.1 is amended by adding the following subsection after subsection (1):**

“(2) Despite subparagraph (1)(b)(ii), an issuer is not required to deliver to the regulator a personal information form for an individual if the issuer, another issuer or, if the issuer is an investment fund, the manager of the investment fund issuer or another investment fund issuer, previously delivered a personal information form for the individual and all of the following are satisfied:

- (a) the certificate and consent included in or attached to the personal information form was executed by the individual within three years preceding the date of filing of the preliminary or pro-forma long form prospectus;
- (b) the responses given by the individual to questions 6 through 10 of the individual’s personal information form are correct as at a date that is within 30 days of the filing of the preliminary or pro-forma long form prospectus;
- (c) if the personal information form was previously delivered to the regulator by another issuer, the issuer delivers to the regulator, concurrently with the filing of the preliminary or pro forma long form prospectus, a copy of the previously delivered personal information form or alternative information that is satisfactory to the regulator.

(3) Until May 14, 2016, subparagraph (1)(b)(ii) does not apply to an issuer in respect of the delivery of a personal information form for an individual if the issuer or, if the issuer is an investment fund, the manager of the investment fund issuer, previously delivered to the regulator a predecessor personal information form for the individual and all of the following are satisfied:

- (a) the certificate and consent included in or attached to the predecessor personal information form was executed by the individual within three years preceding the date of filing of the preliminary or pro-forma long form prospectus;
- (b) the responses given by the individual to questions 4(B) and (C) and questions 6 through 9 or, in the case of a TSX/TSXV personal information form in effect after September 8, 2011, questions 6 through 10, of the individual’s predecessor personal information form are correct as at a date that is within 30 days of the filing of the preliminary or pro-forma long form prospectus.”.

13. **Subparagraph 9.2(a)(vii) is amended by**

- (a) **deleting** “and” **in clause (A),**  
(b) **adding the following clause after clause (A)**  
“(A.1) each director of the issuer, and”, **and**  
(c) **replacing** “each person or company required to sign a certificate under Part 5” **in clause (B) with** “any other person or company that provides or signs a certificate under Part 5”.

**14. Subparagraph 9.2(a)(xii) is amended by**

- (a) **after** “Undertaking to File”, **replacing** “Documents and Material Contracts” **with** “Agreements, Contracts and Material Contracts”,
- (b) **replacing** “a document referred to in subparagraph (ii), (iii) or (iv)” **with** “an agreement, contract or declaration of trust under subparagraph (ii) or (iv) or a material contract under subparagraph (iii)”,
- (c) **deleting** “or become effective” **wherever it appears**,
- (d) **replacing** “to file the document” **with** “to file the agreement, contract, declaration of trust or material contract”, **and**
- (e) **replacing** “within seven days after the completion of the distribution; and” **with** “no later than seven days after execution of the agreement, contract, declaration of trust or material contract;”.

**15. Paragraph 9.2(a) is amended by adding the following subparagraph after subparagraph 9.2(a)(xii):**

“(xii.1) **Undertaking to File Unexecuted Documents** – if a document referred to in subparagraph (ii) does not need to be executed in order to become effective and has not become effective before the filing of the final long form prospectus, but will become effective on or before the completion of the distribution, the issuer must file with the securities regulatory authority, no later than the time of filing of the final long form prospectus, an undertaking of the issuer to the securities regulatory authority to file the document promptly and in any event no later than seven days after the document becomes effective; and”

**16. Subsection 10.1(1) is amended by**

- (a) **replacing** “An issuer” **with** “Subject to subsection (1.1), an issuer”.
- (b) **adding a period at the end of paragraph (c), and**
- (c) **deleting the following:**

“if that person or company is named in a prospectus or an amendment to a prospectus, directly or, if applicable, in a document incorporated by reference,

- (d) as having prepared or certified any part of the prospectus or the amendment,
- (e) as having opined on financial statements from which selected information included in the prospectus has been derived and which audit opinion is referred to in the prospectus directly or in a document incorporated by reference, or
- (f) as having prepared or certified a report, valuation, statement or opinion referred to in the prospectus or the amendment, directly or in a document incorporated by reference.”

**17. Section 10.1 is amended by adding the following subsection after subsection (1):**

“(1.1) Subsection (1) does not apply unless the person or company is named in a prospectus or an amendment to a prospectus directly or, if applicable, in a document incorporated by reference into the prospectus or amendment,

- (a) as having prepared or certified any part of the prospectus or the amendment,
- (b) as having opined on financial statements from which selected information included in the prospectus has been derived and which audit opinion is referred to in the prospectus directly or in a document incorporated by reference, or
- (c) as having prepared or certified a report, valuation, statement or opinion referred to in the prospectus or the amendment directly or in a document incorporated by reference.”

**18. Section 11.2 is amended by replacing “No” with “Except as required under section 11.3, no”.**

**19. Paragraph 11.2(b) is amended by adding “on an as-if converted basis” after “offering”.**

20. **Section 13.3 is amended by**

- (a) **in paragraph (d), adding “fundamental” before “investment objective(s)”**,
- (b) **in paragraph (g), deleting “and” after “made;”**,
- (c) **in paragraph (h), replacing “.” with “;”, and**
- (d) **adding the following paragraph after paragraph (h):**
  - “(i) whether the security is or will be a qualified investment for a registered retirement savings plan, registered retirement income fund, registered education savings plan or tax free savings account or qualifies or will qualify the holder for special tax treatment.”.

21. **Section 14.5 is amended by**

- (a) **in subsection 14.5(1), replacing “agreements between the investment fund and the custodian or the custodian and the sub-custodian” with “custodian agreements and sub-custodian agreements”**,
- (b) **in subparagraph 14.5(1)(g), striking out “,” after “sub-custodian”, and**
- (c) **in subsection 14.5(3), replacing “An agreement between an investment fund and a custodian or a custodian and a sub-custodian respecting the portfolio assets” with “A custodian agreement or sub-custodian agreement concerning the portfolio assets of an investment fund”**.

22. **Paragraph 19.3(2)(a) is amended by adding “pro forma or” after “the filing of the” wherever it occurs.**

23. **Appendix A is amended by repealing the following:**

**“PERSONAL INFORMATION FORM AND AUTHORIZATION OF  
INDIRECT COLLECTION, USE AND DISCLOSURE OF  
PERSONAL INFORMATION**

In connection with an issuer’s (the “Issuer”) filing of a prospectus, the attached Schedule 1 contains information (the “Information”) concerning every individual for whom the Issuer is required to provide the Information under Part 9 of this Instrument or Part 4 of NI 44-101. The Issuer is required by provincial and territorial securities legislation to deliver the Information to the regulators listed in Schedule 3.

The Issuer confirms that each individual who has completed a Schedule 1:

- (a) has been notified by the Issuer
  - (i) of the Issuer’s delivery to the regulator of the Information in Schedule 1 pertaining to that individual,
  - (ii) that the Information is being collected indirectly by the regulator under the authority granted to it by provincial and territorial securities legislation or provincial legislation relating to documents held by public bodies and the protection of personal information,
  - (iii) that the Information collected from each director and executive officer of the investment fund manager may be used in connection with the prospectus filing of the Issuer and the prospectus filing of any other issuer managed by the investment fund manager,
  - (iv) that the Information is being collected and used for the purpose of enabling the regulator to administer and enforce provincial and territorial securities legislation, including those obligations that require or permit the regulator to refuse to issue a receipt for a prospectus if it appears to the regulator that the past conduct of management, an investment fund manager or promoter of the Issuer affords reasonable grounds for belief that the business of the Issuer will not be conducted with integrity and in the best interests of its securityholders, and
  - (v) of the contact, business address and business telephone number of the regulator in the local jurisdiction as set out in the attached Schedule 3, who can answer questions about the regulator’s indirect collection of the Information;

- (b) has read and understands the Personal Information Collection Policy attached hereto as Schedule 2; and
- (c) has, by signing the certificate and consent in Schedule 1, authorized the indirect collection, use and disclosure of the Information by the regulator as described in Schedule 2.

Date: \_\_\_\_\_

\_\_\_\_\_  
**Name of Issuer**

Per: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Official Capacity

(Please print the name of the person signing on behalf of the issuer)".

**24. Schedule 1 of Appendix A is amended by renumbering it as Schedule 1, Part A.**

**25. Part A of Schedule 1 of Appendix A is amended by**

- (a) **repealing the following:**

**"CERTIFICATE AND CONSENT"**

I, \_\_\_\_\_ hereby certify that:

(Please Print – Name of Individual)

- (a) I have read and understood the questions, cautions, acknowledgement and consent in this Form, and the answers I have given to the questions in this Form and in any attachments to it are true and correct, except where stated to be to the best of my knowledge, in which case I believe the answers to be true;
- (b) I have read and understand the Personal Information Collection Policy attached hereto as Schedule 2 (the "Personal Information Collection Policy");
- (c) I consent to the collection, use and disclosure of the information in this Form and to the collection, use and disclosure of further personal information in accordance with the Personal Information Collection Policy; and
- (d) I understand that I am providing this Form to a regulator listed in Schedule 3 attached hereto and I am under the jurisdiction of the regulator to which I submit this Form, and it is a breach of securities legislation to provide false or misleading information to the regulator.

---

**Date [within 30 days of the date of the preliminary prospectus]**

---

**Signature of Person Completing this Form", and**

- (b) **by replacing in the paragraph preceding the General Instructions of Part A of Schedule 1 of Appendix A**

“Where an individual has submitted a personal information form (an “Exchange Form”) to the Toronto Stock Exchange or the TSX Venture Exchange and the information has not changed, the Exchange Form may be delivered in lieu of this Form; provided that the certificate and consent of this Form is completed and attached to the Exchange Form.”

*with* “or Part 2 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.”.

**26. Part A of Schedule 1 of Appendix A, General Instructions, is amended by**

- (a) **in “All Questions”**

(i) **adding** “will not be accepted” **after** “Not Applicable”, **and**

(ii) **replacing** “2B(iii) and 5 will not be accepted” **with the following:**

“2(iii) and (v) and 5.

For the purposes of answering the questions in this Form, the term “issuer” includes an investment fund manager.”,

(b) **in the title Questions 6 to 9, replacing “9” with “10”, and**

(c) **in Questions 6 to 10,**

(i) **replacing** “check” **with** “place a checkmark”, **and**

(ii) **replacing** “questions 6 to 9” **with** “questions 6 to 10”.

**27. Part A of Schedule 1 of Appendix A, Definitions, is amended by**

(a) **in paragraph (b) of the definition of “Offence”, adding** “Canadian or foreign” **before** “jurisdiction”,

(b) **in paragraph (d) of the definition of “Offence”, adding** “other” **before** “foreign”,

(c) **in the NOTE to the definition of “Offence”,**

(i) **replacing** “NOTE” **with** “GUIDANCE”,

(ii) **replacing** “and it has not been revoked,” **with** “for an Offence that relates to fraud (including any type of fraudulent activity), misappropriation of money or other property, theft, forgery, falsification of books or documents or similar Offences,” **and**

(iii) **replacing** “offence” **with** “Offence”,

(d) **in paragraph (a) of the definition of “Proceedings”, adding** “which is currently” **after** “inquiry”,

(e) **in paragraph (d) of the definition of “Proceedings”**

(i) **replacing** “self-regulatory organization” **wherever it occurs with** “self-regulatory entity”,

(ii) **replacing** “and their representatives” **with** “(including where applicable, issuers listed on a stock exchange) and individuals associated with those members and issuers”,

(iii) **replacing** “by-laws or rules” **with** “by-laws, rules or policies”, **and**

(iv) **replacing** “for a hearing” **with** “to be heard”,

(f) **in the definition of ““securities regulatory authority” (or “SRA”)”**

(i) **deleting the brackets surrounding** “(or SRA)”,

- (ii) **replacing** “in any jurisdiction or in any foreign jurisdiction” **with** “in any Canadian or foreign jurisdiction”, **and**
    - (iii) **replacing** “or professional organization” **with** “entity”,
  - (g) **in the definition of** “self regulatory or professional organization”, **replacing** “or professional organization” **with** “entity or “SRE””,
  - (h) **in paragraph (a) of the definition of** “self regulatory entity or “SRE””, **adding** “derivatives,” **after** “stock,”,
  - (i) **in paragraph (e) of the definition of** “self regulatory entity or “SRE””,
    - (i) **replacing** “self-regulatory entity” **with** “self-regulatory organization”,
    - (ii) **adding** “policies,” **after** “rules,”, **and**
    - (iii) **replacing** “a self-regulatory or professional organization” **with** “an SRE”.
28. **Section 1.A. of Part A of Schedule 1 of Appendix A is amended by replacing** “MIDDLE NAME(S) (If none, please state)” **with** “FULL MIDDLE NAME(S) (No initials. If none, please state)”.
29. **Section 1.E. of Part A of Schedule 1 of Appendix A is amended by**
- (a) **adding an asterisk immediately after** “E-MAIL”, **and**
  - (b) **adding** “Provide an email address that the regulator may use to contact you regarding this personal information form. This email address may be used to exchange personal information relating to you.” **below the last information field.**
30. **Section 1.F. of Part A of Schedule 1 of Appendix A is amended by replacing** “correctly identify” **with** “recall”.
31. **Section 2.A. of Part A of Schedule 1 of Appendix A is amended by**
- (a) **deleting the title** “A. CANADIAN CITIZENSHIP”,
  - (b) **in subparagraph(i), replacing** “Citizen” **with** “citizen”,
  - (c) **in subparagraph(iii), replacing** “2A(ii)” **with** “2(ii)”, **and**
  - (d) **after subparagraph (iii), adding the following:**
    - “(iv) Do you hold citizenship in any country other than Canada?”
    - (v) If “Yes” to Question 2(iv), the name of the country(ies):”.
32. **Section 2.B. of Part A of Schedule 1 of Appendix A is repealed.**
33. **The introduction of section 3 of Part A of Schedule 1 of Appendix A is amended by**
- (a) **adding** “complete” **before** “employment history”,
  - (b) **replacing** “10” **with** “5”, **and**
  - (c) **after the last sentence, adding** “If you were unemployed during this period of time, state this and identify the period of unemployment.”.

**34. Section 4 of Part A of Schedule 1 of Appendix A is amended by replacing**

**“4. POSITIONS WITH OTHER ISSUERS**

		YES	NO
A.	While you were a director, officer or insider of an issuer, did any exchange or self-regulatory organization ever refuse approval for listing or quotation of that issuer (including a listing resulting from a qualifying transaction, reverse takeover, backdoor listing or change of business)? If yes, attach full particulars.		
B.	Has your employment in a sales, investment or advisory capacity with any firm or company engaged in the sale of real estate, insurance or mutual funds ever been terminated for cause?		
C.	Has a firm or company registered under the securities laws of any jurisdiction or of any foreign jurisdiction as a securities dealer, broker, investment advisor or underwriter, suspended or terminated your employment for cause?		
D.	Are you or have you during the last 10 years ever been a director, officer, promoter, insider or control person for any reporting issuer?		

**E. If “YES” to 4D above, provide the names of each reporting issuer. State the position(s) held and the period(s) during which you held the position(s). Use an attachment if necessary.**

NAME OF REPORTING ISSUER	POSITION(S) HELD	MARKET TRADED ON	FROM		TO	
			MM	YY	MM	YY”

*with the following:*

**“4. INVOLVEMENT WITH ISSUERS**

YES	NO
-----	----

A. Are you or have you during the last 10 years ever been a director, officer, promoter, insider or control person for any reporting issuer?

B. If “YES” to 4A above, provide the names of each reporting issuer. State the position(s) held and the period(s) during which you held the position(s). Use an attachment if necessary.

NAME OF REPORTING ISSUER	POSITION(S) HELD	MARKET TRADED ON	FROM		TO	
			MM	YY	MM	YY

C. While you were a director, officer or insider of an issuer, did any exchange or other self-regulatory entity ever refuse approval for listing or quotation of the issuer, including (i) a listing resulting from a business combination, reverse takeover or similar transaction involving the issuer that is regulated by an SRE or SRA, (ii) a backdoor listing or qualifying acquisition involving the issuer (as those terms are defined in the TSX Company Manual as amended from time to time) or (iii) a qualifying transaction, reverse takeover or change of business involving the issuer (as those terms are defined in the TSX Venture Corporate Finance Manual as amended from time to time)? If yes, attach full particulars.”

**35. Section 5.A. of Part A of Schedule 1 of Appendix A is amended by replacing**

“A. PROFESSIONAL DESIGNATION(S) – Provide any professional designation held and professional associations to which you belong. For example, Barrister & Solicitor, C.A., C.M.A., C.G.A., P.Eng., P.Geol., and CFA, etc. and indicate which organization and the date the designations were granted.

PROFESSIONAL DESIGNATION and MEMBERSHIP NUMBER	GRANTOR OF DESIGNATION and JURISDICTION or FOREIGN JURISDICTION	DATE GRANTED			ACTIVE?	
		MM	DD	YY	YES	NO”



with the following:

**A. PROFESSIONAL DESIGNATION(S) – Identify any professional designation held and professional associations to which you belong, for example, Barrister & Solicitor, C.A., C.M.A., C.G.A., P.Eng., P.Geol., CFA, etc. and indicate which organization and the date the designations were granted.**

PROFESSIONAL DESIGNATION and MEMBERSHIP NUMBER	GRANTOR OF DESIGNATION and CANADIAN or FOREIGN JURISDICTION	DATE GRANTED	
		MM	YY

Describe the current status of any designation and/or association (e.g. active, retired, non-practicing, suspended)”.

**36. Section 6 of Part A of Schedule 1 of Appendix A is amended by replacing**

**“6. OFFENCES –** If you answer “YES” to any item in Question 6, you must provide complete details in an attachment.

		YES	NO
<b>A.</b>	Have you ever pleaded guilty to or been found guilty of an offence?		
<b>B.</b>	Are you the subject of any current charge, indictment or proceeding for an offence?		
<b>C.</b>	To the best of your knowledge, are you or have you <b>ever</b> been a director, officer, promoter, insider, or control person of an issuer, in any jurisdiction or in any foreign jurisdiction, at the time of events, where the issuer:		
	(i) has ever pleaded guilty to or been found guilty of an offence?		
	(ii) is the subject of any current charge, indictment or proceeding for an offence?”		

*with the following:*

**“6. OFFENCES** – If you answer “YES” to any item in Question 6, you must provide complete details in an attachment. **If you have received a pardon under the Criminal Records Act (Canada) for an Offence that relates to fraud (including any type of fraudulent activity), misappropriation of money or other property, theft, forgery, falsification of books or documents or similar Offences, you must disclose the pardoned Offence in this Form.**

		YES	NO
A.	Have you ever, in any Canadian or foreign jurisdiction, pled guilty to or been found guilty of an Offence?		
B.	Are you the subject of any current charge, indictment or proceeding for an Offence, in any Canadian or foreign jurisdiction?		
C.	To the best of your knowledge, are you currently or have you <b>ever</b> been a director, officer, promoter, insider, or control person of an issuer, in any Canadian or foreign jurisdiction, at the time of events that resulted in the issuer:		
	(i) pleading guilty to or being found guilty of an Offence?		
	(ii) now being the subject of any charge, indictment or proceeding for an alleged Offence?.”		

37. **The introduction of section 7 of Part A of Schedule 1 of Appendix A is amended by adding “You must answer “YES” or “NO” for EACH of (A), (B) and (C) below.” after the last sentence.**

38. **Section 7.A. of Part A of Schedule 1 of Appendix A is amended by replacing “jurisdiction or in any foreign jurisdiction” with “Canadian or foreign jurisdiction”.**

39. **Section 7.C. of Part A of Schedule 1 of Appendix A is amended by**

(a) **adding “currently” after “are you”, and**

(b) **replacing “jurisdiction or in any foreign jurisdiction” with “Canadian or foreign jurisdiction”.**

40. **Section 8.A. of Part A of Schedule 1 of Appendix A is amended by replacing**

		YES	NO
<b>“A.</b>	<b>CURRENT PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY OR PROFESSIONAL ORGANIZATION. Are you now, in any jurisdiction or in any foreign jurisdiction, the subject of:</b>		
	(i) a notice of hearing or similar notice issued by a SRA?		
	(ii) a proceeding or to your knowledge, under investigation, by an exchange or other self regulatory or professional organization?		
	(iii) settlement discussions or negotiations for settlement of any nature or kind whatsoever with a SRA or any self regulatory or professional organization?”		

*with the following:*

		YES	NO
"A.	<b>CURRENT PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY ENTITY. Are you now, in any Canadian or foreign jurisdiction, the subject of:</b>		
	(i) a notice of hearing or similar notice issued by an SRA or SRE?		
	(ii) a proceeding of or, to your knowledge, an investigation by, an SRA or SRE?		
	(iii) settlement discussions or negotiations for settlement of any nature or kind whatsoever with an SRA or SRE?"		

41. *Section 8.B. of Part A of Schedule 1 of Appendix A is amended by replacing*

		YES	NO
"B.	<b>PRIOR PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY OR PROFESSIONAL ORGANIZATION. Have you <u>ever</u>:</b>		
	(i) been reprimanded, suspended, fined, been the subject of an administrative penalty, or otherwise been the subject of any disciplinary proceedings of any kind whatsoever, in any jurisdiction or in any foreign jurisdiction, by a SRA or self regulatory or professional organization?		
	(ii) had a registration or licence for the trading of securities, exchange or commodity futures contracts, real estate, insurance or mutual fund products cancelled, refused, restricted or suspended?		
	(iii) been prohibited or disqualified under securities, corporate or any other legislation from acting as a director or officer of a reporting issuer?		
	(iv) had a cease trading or similar order issued against you or an order issued against you that denied you the right to use any statutory prospectus or registration exemption?		
	(v) had any other proceeding of any nature or kind taken against you?"		

*with the following:*

		YES	NO
"B.	<b>PRIOR PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY ENTITY. Have you <u>ever</u>:</b>		
	(i) been reprimanded, suspended, fined, been the subject of an administrative penalty, or been the subject of any proceedings of any kind whatsoever, in any Canadian or foreign jurisdiction, by an SRA or SRE?		
	(ii) had a registration or licence for the trading of securities, exchange or commodity futures contracts, real estate, insurance or mutual fund products cancelled, refused, restricted or suspended by an SRA or SRE?		
	(iii) been prohibited or disqualified by an SRA or SRE under securities, corporate or any other legislation from acting as a director or officer of a reporting issuer or been prohibited or restricted by an SRA or SRE from acting as a director, officer or employee of, or an agent or consultant to, a reporting issuer?		

(iv)	had a cease trading or similar order issued against you or an order issued against you by an SRA or SRE that denied you the right to use any statutory prospectus or registration exemption?		
(v)	had any other proceeding of any kind taken against you by an SRA or SRE? ”.		

**42. Section 8.C. of Part A of Schedule 1 of Appendix A is amended by**

- (a) **replacing “a” with “an” before “SRA”,**
- (b) **replacing “self regulatory or professional organization” with “SRE” wherever it appears,**
- (c) **replacing “any jurisdiction or in any foreign jurisdiction” with “any Canadian or foreign jurisdiction”,**
- (d) **replacing “a jurisdiction or in a foreign jurisdiction” with “a Canadian or foreign jurisdiction”, and**
- (e) **adding “, by-laws or policies” after “rules”.**

**43. Section 8.D. of Part A of Schedule 1 of Appendix A is amended by**

- (a) **replacing “any jurisdiction or in any foreign jurisdiction” with “any Canadian or foreign jurisdiction”, and**
- (b) **replacing “self regulatory or professional organization” with “self regulatory entity”.**

**44. Subparagraph 8.D.(v) of Part A of Schedule 1 of Appendix A is amended by replacing**

“(v) taken any other proceeding of any nature or kind against the issuer, including a trading halt, suspension or delisting of the issuer (other than in the normal course for proper dissemination of information, pursuant to a reverse takeover, backdoor listing or similar transaction)?”

**with the following:**

“(v) commenced any other proceeding of any kind against the issuer, including a trading halt, suspension or delisting of the issuer, in connection with an alleged or actual contravention of an SRA’s or SRE’s rules, regulations, policies or other requirements, but excluding halts imposed (i) in the normal course for proper dissemination of information, or (ii) pursuant to a business combination, reverse takeover or similar transaction involving the issuer that is regulated by an SRE or SRA, including a qualifying transaction, reverse takeover or change of business involving the issuer (as those terms are defined in the TSX Venture Corporate Finance Manual as amended from time to time)?”.

**45. Subparagraph 8.D.(vi) of Part A of Schedule 1 of Appendix A is amended by**

- (a) **deleting “involved in”, and**
- (b) **replacing “in a jurisdiction or in a foreign jurisdiction or a self regulatory or professional organization’s rules” with “or the rules, by-laws or policies of an SRE”.**

**46. Section 9.A. of Part A of Schedule 1 of Appendix A is amended by replacing “any jurisdiction or in any foreign jurisdiction” with “any Canadian or foreign jurisdiction”.**

**47. Subparagraph 9.A.(i) of Part A of Schedule 1 of Appendix A is amended by adding a comma after “changes”.**

**48. Subparagraph 9.A.(ii) of Part A of Schedule 1 of Appendix A is amended by**

- (a) **replacing “for” with “of” after “an issuer”,**
- (b) **deleting the comma after “control person”, and**
- (c) **adding a comma after “changes”.**

49. **Subparagraph 9.B.(i) of Part A of Schedule 1 of Appendix A is amended by**
- (a) **replacing** “any jurisdiction or in any foreign jurisdiction” **with** “any Canadian or foreign jurisdiction”,
  - (b) **replacing** “of” **with** “to” **after** “jurisdiction,”, **and**
  - (c) **adding a comma after** “changes”.
50. **Subparagraph 9.B.(ii) of Part A of Schedule 1 of Appendix A is amended by**
- (a) **adding** “that is” **after** “an issuer”,
  - (b) **replacing** “any jurisdiction or in any foreign jurisdiction” **with** “any Canadian or foreign jurisdiction”,
  - (c) **replacing** “of” **with** “to” **after** “jurisdiction,”, **and**
  - (d) **adding a comma after** “changes”.
51. **Subparagraph 9.C.(i) of Part A of Schedule 1 of Appendix A is amended by**
- (a) **replacing** “any jurisdiction or in any foreign jurisdiction” **with** “any Canadian or foreign jurisdiction”, **and**
  - (b) **adding a comma after** “changes”.
52. **Subparagraph 9.C.(ii) of Part A of Schedule 1 of Appendix A is amended by**
- (a) **replacing** “any jurisdiction or in any foreign jurisdiction” **with** “any Canadian or foreign jurisdiction”, **and**
  - (b) **adding a comma after** “changes”.
53. **Part A of Schedule 1 of Appendix A is amended by adding the following after section 9:**

“10. INVOLVEMENT WITH OTHER ENTITIES

		YES	NO
A.	Has your employment in a sales, investment or advisory capacity with any employer engaged in the sale of real estate, insurance or mutual funds ever been suspended or terminated for cause? If yes, attach full particulars.		
B.	Has your employment with a firm or company registered under the securities laws of any Canadian or foreign jurisdiction as a securities dealer, broker, investment advisor or underwriter, ever been suspended or terminated for cause? If yes, attach full particulars.		
C.	Has your employment as an officer of an issuer ever been suspended or terminated for cause? If yes, attach full particulars.”.		

54. **Schedule 1 of Appendix A is amended by adding the following part after Part A of Schedule 1 of Appendix A:**

“Schedule 1  
Part B

**CERTIFICATE AND CONSENT**

I, \_\_\_\_\_ hereby certify that:  
(Please Print – Name of Individual)

- (a) I have read and understand the questions, cautions, acknowledgement and consent in the personal information form to which this certificate and consent is attached or of which this certificate and consent forms a part (the “**Form**”), and the answers I have given to the questions in the Form and in any attachments to it are correct, except where stated to be answered to the best of my knowledge, in which case I believe the answers to be correct;
- (b) I have been provided with and have read and understand the Personal Information Collection Policy (the “**Personal Information Collection Policy**”) in Schedule 2 of Appendix A to National Instrument 41-101 *General Prospectus Requirements* (“**NI 41-101**”);
- (c) I consent to the collection, use and disclosure by a regulator or a securities regulatory authority listed in Schedule 3 of Appendix A to NI 41-101 (collectively the “**regulators**”) of the information in the Form and to the collection, use and disclosure by the regulators of further personal information in accordance with the Personal Information Collection Policy including the collection, use and disclosure by the regulators of the information in the Form in respect of the prospectus filings of the Issuer and the prospectus filings of any other issuer in a situation where I am or will be:
  - (i) a director, executive officer or promoter of the other issuer,
  - (ii) a director or executive officer of a promoter of the other issuer, if the promoter is not an individual, or
  - (iii) where the other issuer is an investment fund, a director or executive officer of the investment fund manager; and
- (d) I am aware that I am providing the Form to the regulators and I understand that I am under the jurisdiction of the regulators to which I submit the Form, and that it is a breach of securities legislation to provide false or misleading information to the regulators, whenever the Form is provided in respect of the prospectus filings of the Issuer or the prospectus filings of any other issuer of which I am or will be a director, executive officer or promoter.

**Date [within 30 days of the date of the preliminary prospectus]**

---

**Signature of Person Completing this Form”.**

55. **The first paragraph of Schedule 2 of Appendix A is amended by**

- (a) **adding** “and securities regulatory authorities (the “**regulators**”)” **after** “The regulators”;
- (b) **replacing** “Regulators” **with** “of Appendix A to National Instrument 41-101 *General Prospectus Requirements* (“**NI 41-101**”)”;
- (c) **replacing** “personal information in Schedule 1 **Personal Information Form**” **with** “personal information in the personal information form as this term is defined in NI 41-101 (the “**Personal Information Form**”),”, **and**
- (d) **replacing** “information provided in Schedule 1” **with** “information provided in the Personal Information Form”.

56. **The second paragraph of Schedule 2 of Appendix A is amended by replacing “Schedule 1” with “the Personal Information Form”.**

57. **The third paragraph of Schedule 2 of Appendix A is amended by**

(a) **replacing “Schedule 1” with “the Personal Information Form” wherever it occurs, and**

(b) **at the end of the paragraph, adding the following:**

“Your consent also extends to the collection, use and disclosure of the Information as described above in respect of other prospectus filings of the Issuer and the prospectus filings of any other issuer in a situation where you are or will be:

- (a) a director, executive officer or promoter of the other issuer,
- (b) a director or executive officer of a promoter of the other issuer, if the promoter is not an individual, or
- (c) where the other issuer is an investment fund, a director or executive officer of the investment fund manager.”.

58. **The title of Schedule 3 of Appendix A is amended by adding “and Securities Regulatory Authorities” after “Regulators”.**

59. **Schedule 3 of Appendix A is amended by**

(a) **replacing the contact information for the Alberta Securities Commission with the following:**

“Securities Review Officer  
Alberta Securities Commission  
Suite 600, 250 – 5<sup>th</sup> Street S.W.  
Calgary, Alberta T2P 0R4  
Telephone: (403) 297-6454  
E-mail: inquiries@seccom.ab.ca  
www.albertasecurities.com”,

(b) **replacing the contact information for the Nova Scotia Securities Commission with the following:**

“Deputy Director  
Compliance and Enforcement Division  
Nova Scotia Securities Commission  
P.O. Box 458  
Halifax, Nova Scotia B3J 2P8  
Telephone: (902) 424-5354  
www.gov.ns.ca/nssc”,

(c) **replacing the contact information for Prince Edward Island with the following:**

“Superintendent of Securities  
Government of Prince Edward Island  
95 Rochford Street, P.O. Box 2000, 4th Floor  
Charlottetown, Prince Edward Island C1A 7N8  
Telephone: (902) 368-4550  
www.gov.pe.ca/securities”,

(d) **replacing the contact information for the Saskatchewan Financial Services Commission with the following:**

“Director  
Financial and Consumer Affairs Authority of Saskatchewan  
Suite 601, 1919 Saskatchewan Drive  
Regina, Saskatchewan S4P 4H2  
Telephone: (306) 787-5842  
www.fcaa.gov.sk.ca”, **and**

(e) **replacing the contact information for Yukon with the following:**

“Superintendent of Securities  
Office of the Yukon Superintendent of Securities  
Department of Community Services  
307 Black Street, Whitehorse, Yukon, Y1A 2N1  
Phone: 867-667-5466, Fax 867-393-6251”.

60. **Appendix C is amended by replacing** “The undersigned accepts the appointment as agent for service of process of [insert name of Issuer]” **with** “The undersigned accepts the appointment as agent for service of process of [insert name of Filing Person]”.

61. **Subsection 1.4(2) of Form 41-101F1 Information Required in a Prospectus is amended by replacing**

“(2) If there may be an over allocation position,

- (a) disclose that a purchaser who acquires securities forming part of the underwriters’ over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases, and
- (b) describe the terms of any over-allotment option or an option to increase the size of the distribution before closing.”

**with the following:**

“(2) Describe the terms of any over-allotment option or any option to increase the size of the distribution before closing.”.

62. **Section 1.4 of Form 41-101F1 is amended by adding the following subsection after subsection 1.4(2):**

“(2.1) If there may be an over-allocation position provide the following disclosure:

“A purchaser who acquires [insert type of securities qualified for distribution under the prospectus] forming part of the underwriters’ over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases”.

63. **Subsection 1.4(3) of Form 41-101F1 is amended by replacing** “, provide totals for both the minimum and maximum offering amount, if applicable.” **with** “and a minimum offering amount

- (c) is required for the issuer to achieve one or more of the purposes of the offering, provide totals for both the minimum and maximum offering amount, or
- (d) is not required for the issuer to achieve any of the purposes of the offering,

state the following in boldface type:

**“No minimum amount of funds must be raised under this offering. This means that the issuer could complete this offering after raising only a small proportion of the offering amount set out above.”**”.

64. **Subsection 1.9(1) of Form 41-101F1 is amended by adding** “or series” **after** “class”.

65. **Section 1.12 of Form 41-101F1 is amended by replacing**

**“International issuers**

If the issuer, a selling securityholder, or any person or company required to provide a certificate under Part 5 of the Instrument or other securities legislation, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed:



“The [issuer, selling securityholder, or person or company providing a certificate under Part 5 of the Instrument or other securities legislation] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. Although [the person or company described above] has appointed [name(s) and address(es) of agent(s) for service] as its agent(s) for service of process in [list jurisdictions] it may not be possible for investors to enforce judgements obtained in Canada against [the person or company described above].”

**with the following:**

**“Enforcement of judgments against foreign persons or companies**

If the issuer, a director of the issuer, a selling securityholder, or any other person or company that is signing or providing a certificate under Part 5 of the Instrument or other securities legislation, or any person or company for whom the issuer is required to file a consent under Part 10 of the Instrument, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed:

“The [issuer, director of the issuer, selling securityholder, or other person or company] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada.

[the person or company named below] has appointed the following agent(s) for service of process:

Name of Person or Company	Name and Address of Agent

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. ”.

66. **Section 5.4 of Form 41-101F1 is amended by adding** “For the purposes of this section, the alternative disclosure permitted in Instruction (ii) to section 5.4 of Form 51-102F2 does not apply.” **after** “Form 51-102F2.”.

67. **Subsection 6.3(2) of Form 41-101F1 is amended by**

(a) **replacing** “subscription” **with** “offering amount”, **and**

(b) **replacing** “subscriptions” **with** “offering amounts”.

68. **Section 6.3 of Form 41-101F1 is amended by adding the following subsections after subsection (2):**

“(3) If the following apply, disclose how the proceeds will be used by the issuer, with reference to various potential thresholds of proceeds raised, in the event that the issuer raises less than the maximum offering amount:

(a) the closing of the distribution is not subject to a minimum offering amount;

(b) the distribution is to be on a best efforts basis;

(c) the issuer has significant short-term non-discretionary expenditures including those for general corporate purposes, or significant short-term capital or contractual commitments, and may not have other readily accessible resources to satisfy those expenditures or commitments.

(4) If the issuer is required to provide disclosure under subsection (3), the issuer must discuss, in respect of each threshold, the impact, if any, of raising each threshold amount on its liquidity, operations, capital resources and solvency.

**INSTRUCTIONS**

*If the issuer is required to disclose the use of proceeds at various thresholds under subsections 6.3(3) and (4), include as an example a threshold that reflects the receipt of 15% of the offering or less.”.*

69. **Section 8.5 of Form 41-101F1 is amended by replacing “32.6(1)” with “32.6(2)”.**
70. **Section 10.5 of Form 41-101F1 is amended by**
- (a) **replacing “disclose” with “provide the following disclosure in the prospectus to indicate”, and**
  - (b) **deleting “and provide the following disclosure in the prospectus, with the bracketed information completed”.**
71. **Section 13.1 of Form 41-101F1 is amended by**
- (a) **adding “or series” after “each class”,**
  - (b) **adding “or exchangeable” after “convertible”, and**
  - (c) **adding “or series” after “those classes”.**
72. **Subsection 13.2(1) of Form 41-101F1 is amended by**
- (a) **replacing “each class of” with “the following”,**
  - (b) **replacing “is traded” with “are traded”,**
  - (c) **adding “for the securities” after “quotation”, and**
  - (d) **replacing “occurs.” with the following:**
    - “occurs;
    - (a) each class or series of securities of the issuer distributed under the prospectus;
    - (b) securities of the issuer into which those classes or series of securities are convertible or exchangeable.”.
73. **Subsection 13.2(2) of Form 41-101F1 is amended by**
- (a) **replacing “If a class of” with “For the following”,**
  - (b) **replacing “issuer is” with “issuer that are”,**
  - (c) **replacing “is traded” with “are traded”,**
  - (d) **adding “for the securities” after “quotation”, and**
  - (e) **replacing “occurs.” with the following:**
    - “occurs;
    - (a) each class or series of securities of the issuer distributed under the prospectus;
    - (b) securities of the issuer into which those classes or series of securities are convertible or exchangeable.”.
74. **Item 30 of Form 41-101F1 is amended by adding the following section after section 30.2:**
- “Convertible, exchangeable or exercisable securities**
- 30.3** In the case of an offering of convertible, exchangeable or exercisable securities in which additional amounts are payable or may become payable upon conversion, exchange or exercise, provide a statement in the following form:
- “In an offering of [state name of convertible, exchangeable or exercisable securities], investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial [and territorial] securities legislation, to the price at which the [state name of convertible,

exchangeable or exercisable securities] is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces [and territories], if the purchaser pays additional amounts upon [conversion, exchange or exercise] of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces [and territories]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province [or territory] for the particulars of this right of action for damages or consult with a legal adviser.””

**75. Section 32.1 of Form 41-101F1 is amended by**

- (a) renumbering it subsection 32.1(1),**
- (b) replacing “The” with “Subject to subsection (2), the”, and**
- (c) adding the following subsection after subsection (1):**

- “(2) An issuer is not required to include the financial statements for an acquisition to which paragraph (1)(a) or (b) applies if
- (a) the issuer was a reporting issuer in any jurisdiction of Canada
    - (i) on the date of the acquisition, in the case of a completed acquisition; or
    - (ii) immediately before the filing of the prospectus, in the case of a proposed acquisition;
  - (b) the issuer’s principal asset before the acquisition is not cash, cash equivalents, or its exchange listing; and
  - (c) the issuer provides disclosure in respect of the proposed or completed acquisition in accordance with Item 35.”.

**76. Section 32.4 of Form 41-101F1 is amended by renumbering it subsection 32.4(1) and by adding the following subsection after subsection (1):**

- “(2) Paragraphs (1)(a), (b) and (d) do not apply to an issuer
- (a) whose principal asset is cash, cash equivalents or its exchange listing; or
  - (b) in respect of financial statements of a reverse takeover acquirer for a completed or proposed transaction by the issuer that was or will be accounted for as a reverse takeover.”.

**77. Subparagraph 32.5(b)(i) of Form 41-101F1 is amended by deleting “and” after “issuer,”.**

**78. Paragraph 32.5(b) of Form 41-101F1 is amended by adding the following subparagraph after subparagraph (i):**

- “(i.1) an auditor has not issued an auditor’s report on those financial statements, and”.

**79. Item 32 of Form 41-101F1 is amended by adding the following sections after subsection 32.6(2):**

**“Pro forma financial statements for an acquisition**

- 32.7(1)** An issuer must include in the prospectus the pro forma financial information set out in subsection (2) if
- (a) the issuer has completed or proposes an acquisition of a business for which financial statement disclosure is required under section 32.1;
  - (b) less than nine months of the acquired business operations have been reflected in the issuer’s most recent audited financial statements included in the prospectus; and
  - (c) the inclusion of the pro forma financial statements is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

- (2) For the purposes of subsection (1), include the following:
- (a) a pro forma statement of financial position of the issuer, as at the date of the issuer's most recent statement of financial position included in the prospectus, that gives effect, as if it had taken place as at the date of the pro forma statement of financial position, to the acquisition that has been completed, or is expected to be completed, but is not reflected in the issuer's most recent statement of financial position for an annual or interim period;
  - (b) a pro forma income statement of the issuer that gives effect to the acquisition completed, or expected to be completed, since the beginning of the issuer's most recently completed financial year for which it has included financial statements in its prospectus, as if it had taken place at the beginning of that financial year, for each of the following periods:
    - (i) the most recently completed financial year for which the issuer has included financial statements in its prospectus; and
    - (ii) the interim period for which the issuer has included an interim financial report in its prospectus, that started after the financial year referred to in subparagraph (i) and ended
      - (A) in the case of a completed acquisition, immediately before the acquisition date or, in the issuer's discretion, after the acquisition date;
      - (B) in the case of a proposed acquisition, immediately before the date of the filing of the prospectus, as if the acquisition had been completed before the filing of the prospectus and the acquisition date were the date of the prospectus; and
  - (c) pro forma earnings per share based on the pro forma financial statements referred to in paragraph (b).
- (3) If an issuer is required to include pro forma financial statements in its prospectus under subsection (1),
- (a) in the case where the pro forma financial statements give effect to more than one acquisition, the issuer must identify in the pro forma financial statements each acquisition,
  - (b) the issuer must include in the pro forma financial statements
    - (i) adjustments attributable to the acquisition for which there are firm commitments and for which the complete financial effects are objectively determinable;
    - (ii) adjustments to conform amounts for the business to the issuer's accounting policies; and
    - (iii) a description of the underlying assumptions on which the pro forma financial statements are prepared, cross-referenced to each related pro forma adjustment;
  - (c) in the case where the financial year-end of the business differs from the issuer's year-end by more than 93 days, for the purpose of preparing the pro forma income statement of the issuer's most recently completed financial year, the issuer must construct an income statement of the business for a period of 12 consecutive months ending no more than 93 days before or after the issuer's year-end, by adding the results for a subsequent interim period to a completed financial year of the business and deducting the comparable interim results for the immediately preceding year;
  - (d) in the case where a constructed income statement is required under paragraph (c), the pro forma financial statements must disclose the period covered by the constructed income statement on the face of the pro forma financial statements and must include a note stating that the financial statements of the business used to prepare the pro forma financial statements were prepared for the purpose of the pro forma financial statements and do not conform with the financial statements for the business included elsewhere in the prospectus;
  - (e) in the case where an issuer is required to prepare a pro forma income statement for an interim period required by paragraph (2)(b), and the pro forma income statement for the most recently completed financial year includes results of the business which are also included in the pro forma income statement for the interim period, the issuer must disclose in a note to the pro forma financial

statements the revenue, expenses, and profit or loss from continuing operations included in each pro forma income statement for the overlapping period; and

- (f) a constructed period referred to in paragraph (c) does not have to be audited.

#### **Pro forma financial statements for multiple acquisitions**

**32.8** Despite subsection 32.7(1), an issuer is not required to include in its prospectus the pro forma financial statements otherwise required for each acquisition if the issuer includes in its prospectus one set of pro forma financial statements that

- (a) reflects the results of each acquisition since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus, and
- (b) is prepared as if each acquisition had occurred at the beginning of the most recently completed financial year of the issuer for which financial statements of the issuer are included in the prospectus.

#### **Exemption from financial statement disclosure for oil & gas acquisitions**

**32.9(1)** In the case where sections 32.2, 32.3 and 32.7 apply to a completed or proposed acquisition by operation of section 32.1, those sections do not apply if

- (a) the acquisition is an acquisition of a business which is an interest in an oil and gas property;
- (b) the acquisition is not an acquisition of securities of another issuer, unless the vendor transferred the business referenced in paragraph (1)(a) to the other issuer and that other issuer
  - (i) was created for the sole purpose of facilitating the acquisition; and
  - (ii) other than assets or operations relating to the transferred business, has no
    - (A) substantial assets; or
    - (B) operating history;
- (c) the issuer is unable to provide the financial statements in respect of the acquisition otherwise required under sections 32.2 and 32.3 because those financial statements do not exist or because the issuer does not have access to those financial statements;
- (d) the acquisition does not constitute a reverse takeover;
- (e) subject to subsections (2) and (3), in respect of the business for each of the financial periods for which financial statements would, but for this section, be required under sections 32.2 and 32.3, the prospectus includes
  - (i) an operating statement for the business prepared in accordance with section 3.17 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;
  - (ii) a pro forma operating statement of the issuer that gives effect to the acquisition completed or to be completed since the beginning of the issuer's most recently completed financial year for which financial statements are required to be included in the prospectus, as if the acquisition had taken place at the beginning of that financial year, for each of the financial periods referred to in paragraph 32.7(2)(b), unless
    - (A) more than nine months of the acquired business operations have been reflected in the issuer's most recent audited financial statements included in the prospectus; or
    - (B) the inclusion of the pro forma financial statements is not necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed;
  - (iii) a description of the property or properties and the interest acquired by the issuer; and

- (iv) disclosure of the annual oil and gas production volumes from the business;
- (f) the operating statement for the three most recently completed financial years has been audited;
- (g) the prospectus discloses
  - (i) the estimated reserves and related future net revenue attributable to the business, the material assumptions used in preparing the estimates and the identity and relationship to the issuer or to the vendor of the person who prepared the estimates; and
  - (ii) the estimated oil and gas production volumes from the business for the first year reflected in the estimated disclosure under subparagraph (i).
- (2) Subparagraphs (1)(e)(i), (ii) and (iv) do not apply if production, gross sales, royalties, production costs and operating income were nil, or are reasonably expected to be nil for the business for each financial period and the prospectus discloses that fact.
- (3) Paragraphs (1)(e) and (f) do not apply in respect of the third most recently completed financial year if the issuer has completed the acquisition and has included in the prospectus the following:
  - (a) information in accordance with Form 51-101F1 as at a date commencing on or after the acquisition date and within 6 months of the date of the preliminary prospectus;
  - (b) a report in the form of Form 51-101F2 on the reserves data included in the disclosure required under paragraph (a);
  - (c) a report in the form of Form 51-101F3 that refers to the information disclosed under paragraph (a).”.

**80. Subsection 35.1(1) of Form 41-101F1 is amended by replacing**

“**35.1(1)** This Item does not apply to a completed or proposed transaction by the issuer that was or will be a reverse takeover or a transaction that is a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high.”

**with the following:**

“**35.1(1)** This Item does not apply to

- (a) a completed or proposed transaction by the issuer that was or will be a reverse takeover or a transaction that is a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high; or
- (b) a completed or proposed acquisition
  - (i) by the issuer if
    - (A) the issuer’s principal asset before the acquisition is cash, cash equivalents or its exchange listing; or
    - (B) the issuer was not a reporting issuer in any jurisdiction
      - (I) on the acquisition date, in the case of a completed acquisition; and
      - (II) immediately before filing the prospectus, in the case of a proposed acquisition; and
  - (ii) to which Item 32 applies by operation of section 32.1.”.

**81. Subsection 35.1(2) of Form 41-101F1 is repealed.**

**82. Paragraph 35.3(1)(d) of Form 41-101F1 is amended by**

- (a) **adding “date” after “acquisition”, and**

(b) *deleting* “completed”.

**83. General Instruction (7) of Form 41-101F2 Information Required in an Investment Fund Prospectus is amended by replacing**

“(7) The disclosure required in this Form must be presented in the order and using the headings specified in the Form. However, scholarship plans may make modifications to the disclosure items in order to reflect the special nature of their investment structure and distribution mechanism.”

**with the following:**

“(7) The disclosure required in this Form must be presented in the order and using the headings specified in the Form. If no sub-heading for an Item is stipulated in this Form, an investment fund may include sub-headings under the required headings.”

**84. Subsection 1.4(3) of Form 41-101F2 is amended by replacing**

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

(a) disclose that a purchaser who acquires securities forming part of the underwriters' over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases, and

(b) describe the terms of the option.”

**with the following:**

“(3) Describe the terms of any over-allotment option or any option to increase the size of the distribution before closing.”.

**85. Section 1.4 of Form 41-101F2 is amended by adding the following subsection after subsection 1.4(3):**

“(3.1) If there may be an over-allocation position provide the following disclosure:

“A purchaser who acquires [*insert type of securities qualified for distribution under the prospectus*] forming part of the underwriters' over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases.”

**86. Subsection 1.4(4) of Form 41-101F2 is amended by replacing** “provide totals for both the minimum and maximum offering amount, if applicable.” **with** “and a minimum offering amount

(a) is required for the issuer to achieve one or more of the purposes of the offering, provide totals for both the minimum and maximum offering amount, or

(b) is not required for the issuer to achieve any of the purposes of the offering, state the following in boldface type:

**“There is no minimum amount of funds that must be raised under this offering. This means that the issuer could complete this offering after raising only a small proportion of the offering amount set out above.”**

**87. Subsection 1.11(2) of Form 41-101F2 is amended by deleting** “Underwriting Conflicts”.

**88. Subsection 1.12(4) of Form 41-101F2 is amended by adding** “of” **after** “execution, delivery and clearing”.

**89. Section 1.14 of Form 41-101F2 is amended by replacing**

**“1.14 – Non-Canadian Manager**

If the investment fund manager is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following with the bracketed information completed:

“The manager is incorporated, continued or otherwise governed under the laws of a foreign jurisdiction or resides outside Canada. Although the manager has appointed [name and address of agent for service] as its agent for service of process in Canada, it may not be possible for investors to realize on judgements obtained in Canada against the manager.””

**with the following:**

**“1.14 – Enforcement of Judgements Against Foreign Persons or Companies**

If the investment fund, investment fund manager or any other person or company that is signing or providing a certificate under Part 5 of the Instrument or other securities legislation, or any person or company for whom the issuer is required to file a consent under Part 10 of the Instrument, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed:

“The [investment fund, investment fund manager or any other person or company] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada.

[the person or company named below] has appointed the following agent(s) for service of process:

Name of Person or Company	Name and Address of Agent

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.”” .

**90. Section 3.3 is amended by:**

**(a) in paragraph 3.3(1)(e), replacing**

“(e) the use of leverage, including any restrictions and the maximum amount of leverage the fund could use expressed as a ratio as follows: (total long positions including leveraged positions plus total short positions) divided by the net assets of the investment fund,”

**with the following:**

- “(e) the use of leverage, including the following:
  - (i) if leverage is created through borrowing or the issuance of preferred securities, disclose any restrictions on the leverage used or to be used and whether the investment fund will borrow a minimum amount. Disclose the maximum amount of leverage the investment fund may use as a ratio calculated by dividing the maximum total assets of the investment fund by the net asset value of the investment fund, and
  - (ii) if leverage is created through the use of specified derivatives or by other means not disclosed in subparagraph (i), disclose any restrictions on the leverage used or to be used by the investment fund and whether the investment fund will use a minimum amount of leverage. Disclose the maximum amount of leverage the fund may use as a multiple of net assets. Provide a brief explanation of how the investment fund defines the term “leverage” and the significance of the maximum and minimum amounts of leverage to the investment fund,” **and**

**(b) inserting the following after subsection (2):**

**“INSTRUCTIONS**

**(1) For the purposes of Item 3.3(1)(e)(i), a fund must calculate its maximum total assets by aggregating the maximum value of its long positions, short positions and the maximum amount that may be borrowed.**



(2) For the purposes of the disclosure required by Item 3.3(1)(e)(ii), the term “specified derivative” has the same meaning as in NI 81-102. The description of an investment fund’s use of leverage under Item 3.3(1)(e)(ii) must provide investors with sufficient information to understand the magnitude of the market exposure of the investment fund as compared to the amount of money raised by the investment fund from investors.”

91. **Subsection 3.4(1) of Form 41-101F2 is amended by replacing “registrar and transfer agent and auditor” with “registrar and transfer agent, auditor and principal distributor”.**

92. **Subsection 3.6(4) of Form 41-101F2 is amended by replacing**

“(4) Under the sub-heading “Annual Returns and Management Expense Ratio”, provide, in the following table, returns for each of the past five years and the management expense ratio for each of the past five years as disclosed in the most recently filed annual management report of fund performance of the investment fund:

	[specify year]	[specify year]	[specify year]	[specify year]	[specify year]
<b>Annual Returns</b>					
<b>MER</b>					

“MER” means management expense ratio.”

**with the following:**

“(4) Under the sub-heading “Annual Returns, Management Expense Ratio and Trading Expense Ratio”, provide, in the following table, returns for each of the past five years, the management expense ratio for each of the past five years and the trading expense ratio for each of the past five years as disclosed in the most recently filed annual management report of fund performance of the investment fund:

	[specify year]	[specify year]	[specify year]	[specify year]	[specify year]
<b>Annual Returns</b>	.....	.....	.....	.....	.....
<b>MER</b>	.....	.....	.....	.....	.....
<b>TER</b>	.....	.....	.....	.....	.....

“MER” means management expense ratio based on total expenses, excluding commissions and other portfolio transaction costs and expressed as an annualized percentage of daily average net asset value.

“TER” means trading expense ratio and represents total commissions and portfolio transaction costs expressed as an annualized percentage of daily average net asset value.”

93. **Section 6.1 of Form 41-101F2 is amended by:**

(a) **in paragraph 6.1(1)(b), replacing**

“(b) the use of leverage, including any restrictions and the maximum amount of leverage the fund can use, expressed as a ratio as follows: (total long positions including leveraged positions plus total short positions) divided by the net assets of the investment fund, and”

**with the following:**

“(b) the use of leverage, including the following:

(i) if leverage is created through borrowing or the issuance of preferred securities, disclose any restrictions on the leverage used or to be used and whether the investment fund will borrow a minimum amount. Disclose the maximum amount of leverage the investment fund may use as a ratio calculated by dividing the maximum total assets of the investment fund by the net asset value of the investment fund, and

- (ii) if leverage is created through the use of specified derivatives or by other means not disclosed in subparagraph (i), disclose any restrictions on the leverage used or to be used by the investment fund and whether the investment fund will use a minimum amount of leverage. Disclose the maximum amount of leverage the fund may use as a multiple of net assets. Provide a brief explanation of how the investment fund defines the term “leverage” and the significance of the maximum and minimum amounts of leverage to the investment fund, and”, **and**

**(b) inserting the following after subsection (6):**

“INSTRUCTIONS:

(1) For the purposes of Item 6.1(1)(b)(i), a fund must calculate its maximum total assets by aggregating the maximum value of its long positions, short positions and the maximum amount that may be borrowed.

(2) For the purposes of the disclosure required by Item 6.1(1)(b)(ii), the term “specified derivative” has the same meaning as in NI 81-102. The description of an investment fund’s use of leverage under Item 6.1(1)(b)(ii) must provide investors with sufficient information to understand the magnitude of the market exposure of the investment fund as compared to the amount of money raised by the investment fund from investors.”

**94. Section 11.1 of Form 41-101F2 is replaced with the following:**

**“11.1 – Annual Returns, Management Expense Ratio and Trading Expense Ratio**

Under the heading “Annual Returns, Management Expense Ratio and Trading Expense Ratio”, provide, in the following table, returns for each of the past five years, the management expense ratio for each of the past five years and the trading expense ratio for each of the past five years as disclosed in the most recently filed annual management report of fund performance of the investment fund:

	[specify year]	[specify year]	[specify year]	[specify year]	[specify year]
<b>Annual Returns</b>	.....	.....	.....	.....	.....
<b>MER</b>	.....	.....	.....	.....	.....
<b>TER</b>	.....	.....	.....	.....	.....

“MER” means management expense ratio based on total expenses, excluding commissions and other portfolio transaction costs and expressed as an annualized percentage of daily average net asset value.

“TER” means trading expense ratio and represents total commissions and portfolio transaction costs expressed as an annualized percentage of daily average net asset value.”

**95. Section 19.1 of Form 41-101F2 is amended by**

- (a) **repealing paragraph 19.1(1)(c),**
- (b) **replacing “investment fund” with “issuer” after the words “officer of any other” in subsection 19.1(2),**
- (c) **replacing “investment fund” with “issuer” after the words “executive officer of any” in paragraph 19.1(4)(a),**
- (d) **adding the following after subsection (9):**

- “(10) Under the heading “Ownership of Securities of the Investment Fund and of the Manager” disclose
  - (a) the percentage of securities of each class or series of voting or equity securities owned of record or beneficially, in aggregate, by all the directors and executive officers of the investment fund
    - (i) in the investment fund if the aggregate level of ownership exceeds 10 percent,

- (ii) in the manager, or
    - (iii) in any person or company that provides services to the investment fund or the manager; and
  - (b) the percentage of securities of each class or series of voting or equity securities owned of record or beneficially, in aggregate, by all the directors and executive officers of the manager of the investment fund
    - (i) in the investment fund if the aggregate level of ownership exceeds 10 percent,
    - (ii) in the manager, or
    - (iii) in any person or company that provides services to the investment fund or the manager; and
  - (c) the percentage of securities of each class or series of voting or equity securities owned of record or beneficially, in aggregate, by all the independent review committee members of the investment fund
    - (i) in the investment fund if the aggregate level of ownership exceeds 10 percent,
    - (ii) in the manager, or
    - (iii) in any person or company that provides services to the investment fund or the manager.
- (11) If the management functions of the investment fund are carried out by employees of the investment fund, disclose in respect of those employees the disclosure concerning executive compensation that is required to be provided for executive officers of an issuer under securities legislation.
- (12) Describe any arrangements under which compensation was paid or payable by the investment fund during the most recently completed financial year of the investment fund, for the services of directors of the investment fund, members of an independent board of governors or advisory board of the investment fund and members of the independent review committee of the investment fund, including the amounts paid, the name of the individual and any expenses reimbursed by the investment fund to the individual
  - (a) in that capacity, including any additional amounts payable for committee participation or special assignments; and
  - (b) as a consultant or expert.
- (13) For an investment fund that is a trust, describe the arrangements, including the amounts paid and expenses reimbursed, under which compensation was paid or payable by the investment fund during the most recently completed financial year of the investment fund for the services of the trustee or trustees of the investment fund.”, **and**

**(c) inserting the following after Instruction (4):**

*“(5) The disclosure required under Item 19.1(11) regarding executive compensation for management functions carried out by employees of an investment fund must be made in accordance with the disclosure requirements of Form 51-102F6.”.*

**96. Section 19 of Form 41-101F2 is amended by adding the following after section 19.9:**

**“19.10 – Principal Distributor**

- (1) If applicable, state the name and address of the principal distributor of the investment fund.
- (2) Describe the circumstances under which any agreement with the principal distributor of the investment fund may be terminated and include a brief description of the essential terms of this agreement.”

97. **Paragraph 21.2(f) of Form 41-101F2 is amended by replacing “dividends” with “distributions”.**
98. **Subsection 21.6(1) of Form 41-101F2 is amended by replacing “the” with “a” after the words “proposes to distribute under”.**
99. **Subsection 28.1(1) of Form 41-101F2 is amended by adding “, if known or if ought to be known by the investment fund or the manager” after the words “securityholder of the investment fund”.**
100. **Section 33.2 of Form 41-101F2 is amended by adding the following after subsection 33.2(3):**
- “(4) Despite subsection (1), an auditor who is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or has performed an audit in accordance with US GAAS is not required to provide the disclosure in subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or that the auditor has complied with the SEC’s rules on auditor independence.”
101. This Instrument comes into force on May 14, 2013.

**CHANGES TO  
COMPANION POLICY 41-101CP TO NATIONAL INSTRUMENT 41-101  
GENERAL PROSPECTUS REQUIREMENTS**

1. ***The changes to Companion Policy 41-101CP to National Instrument 41-101 General Prospectus Requirements are set out in this schedule.***
2. ***Subsection 1.2(5) is changed by replacing “Companion Policy” with “companion policy”.***
3. ***The following section is added after section 2.2:***

**“Minimum offering amount**

- 2.2.1 If the distribution of securities is being done on a best efforts basis, an issuer will need to determine if a minimum offering is required for the issuer to achieve one or more of the stated purposes of the offering, as expressed in the “Use of Proceeds” section of the prospectus. If this is the case, the issuer will need to provide a minimum and maximum offering amount. Otherwise, the issuer is required to provide the cautionary statement prescribed in paragraph 1.4(3)(b) of Form 41-101F1.

Although an issuer may determine that a minimum offering amount is not necessary for the prospectus offering, a regulator may reasonably infer that a minimum offering amount is appropriate in certain circumstances. This could occur, for example, if we have concerns that a minimum amount of proceeds must be raised in order for the issuer to achieve its stated objectives. Also, if we have concerns about an issuer continuing as a going concern, we may take the view that the issuer cannot achieve its stated objectives unless a minimum offering amount is raised. The imposition of a minimum offering amount by a regulator derives from the general responsibility of a regulator under securities laws to refuse a receipt for a prospectus if it appears that the aggregate of the proceeds from the sale of the securities under the prospectus and other resources of the issuer are insufficient to accomplish the purposes stated in the prospectus, or if it would not be in the public interest to issue a receipt. A benefit of the imposition of a minimum offering amount is that if the issuer fails to raise the minimum amount, investors benefit from an investor protection mechanism that facilitates the return of their subscription funds to them, if previously deposited.”.

4. ***Section 2.9 is replaced with the following:***

**“Offerings of convertible, exchangeable or exercisable securities**

- 2.9 Investor protection concerns may arise where the distribution of a convertible, exchangeable or exercisable security is qualified under a prospectus and the subsequent conversion, exchange or exercise of this security is made on a prospectus-exempt basis. Specifically, this concern arises when the subsequent conversion, exchange or exercise occurs within a short period of time – generally 180 days or less - following the purchase of the original security.

The concerns arise because the conversion, exchange or exercise feature of the security may operate to limit or “strip away” the remedies available to an investor for a misrepresentation in a prospectus.

In particular, we are concerned about offerings of subscription receipts, or other types of securities which may be convertible, exchangeable or exercisable within a short period of time following the purchase of the original security (generally 180 days or less), where the investor, when purchasing the subscription receipt, or other similar type of security, is in effect also making an investment decision in respect of the underlying security.

Public interest concerns arise if the subsequent distribution of the underlying security is not part of the initial distribution and is not qualified by the prospectus. These concerns arise because when the security is converted, exchanged or exercised prior to the end of the statutory period for a right of action for rescission under securities legislation (which in many jurisdictions is 180 days from the date of purchase of the original security), the purchaser of a convertible, exchangeable or exercisable security does not retain the same rights to rescission because the convertible, exchangeable or exercisable security that was issued under the prospectus has been replaced by the underlying security. In these circumstances, the original purchaser should retain the benefit of any remaining statutory right of rescission that would otherwise apply in respect of the convertible, exchangeable or exercisable security. As such, the issuer should provide the original purchaser of the convertible, exchangeable or exercisable security with a contractual right of rescission in respect of the conversion, exchange or exercise transaction.

In some cases, the subsequent distribution of the underlying security may be part of the initial distribution as it is part of a series of transactions involving further purchases and sales in the course of or incidental to a distribution. If this is the case the issuer should consider whether its prospectus should qualify the distribution of both the subscription receipt, or other similar type of security, as well as the underlying security.

The guidance above would not apply to an offering of warrants where the warrants may reasonably be regarded as incidental to the offering as a whole. For example, in the case of a typical special warrant offering, the special warrant converts into i) a common share, and ii) a common share purchase warrant (or a fraction thereof). In such cases, we have generally accepted that the common share purchase warrant component merely represents a “sweetener”, and that the primary investment decision relates to the common share underlying the special warrant. This would also generally be the case with a unit offering where the unit consists of a common share, and a common share purchase warrant. Therefore, the regulator would not generally request that the issuer provide the original purchaser with a contractual right of rescission in respect of the sweetener warrants.”

5. ***The second paragraph of section 3.4 is changed by replacing “10.1(1)” with “10.1(1.1)”.***

6. ***The following section is added after section 3.5:***

**“Personal information forms**

- 3.5.1 (1) If issuers are relying upon a previously delivered personal information form or predecessor personal information form pursuant to subsections 9.1(2) or 9.1(3) of the Instrument, issuers are reminded of paragraphs 9.1(2)(b) and 9.1(3)(b), which require that the responses to certain questions in the form must still be correct. Accordingly, in order to meet these requirements issuers should obtain appropriate confirmations from the individual concerned.
- (2) Paragraph 9.1(2)(c) of the Instrument requires that in certain circumstances an issuer deliver a copy of a previously delivered personal information form, or “alternative information that is satisfactory to the regulator”. Our interpretation of what would potentially be alternative information satisfactory to the regulator is, with respect to the previous delivery of an individual’s personal information form, the System for Electronic Document Analysis and Retrieval (SEDAR) project number and name of issuer. In most cases this information will be sufficient. Staff will contact issuers in cases where it is not. Issuers wishing to proceed in this manner should provide the information in the cover letter for the preliminary or pro forma long form prospectus.
- (3) If an issuer is delivering a copy of a previously delivered personal information form pursuant to paragraph 9.1(2)(c) of the Instrument, the issuer should deliver it as a personal information form on SEDAR, in the same way that a new personal information form would be delivered.”

7. ***Section 4.2 is changed by adding the following subsection after subsection (2):***

- “(3) If a minimum offering amount is not provided and the issuer faces significant short-term expenditures or commitments, the issuer must provide additional disclosure as required under subsections 6.3(3) and (4) of Form 41-101F1 or subsections 4.2(3) and (4) of Form 44-101F1. The issuer must provide disclosure of how it will use the proceeds at different thresholds, describing what business objectives will be accomplished at each threshold as well as the priority of how the proceeds will be used. In describing the use of proceeds under each threshold, the disclosure must also include an assessment of the impact of raising this amount on the issuer’s liquidity, operations, capital resources and solvency.

Disclosures that may be necessary to understand this impact may include the following examples:

- (a) for issuers without significant revenue and available working capital, disclose the anticipated length of time that the proceeds at each threshold will suffice to meet expected cash requirements;
- (b) for issuers that have or anticipate having within the next 12 months any cash flow or liquidity problems, disclose how the proceeds at each threshold may impact the issuer’s ability to continue in operation for the foreseeable future and realize assets and discharge liabilities in the normal course of operations;
- (c) for issuers that have significant projects that have not yet commenced operations and the projects have therefore not yet generated revenue, describe how the proceeds at each threshold may impact the anticipated timing and costs of the project and other critical milestones;

- (d) for issuers that have exploration and development expenditures or research and development expenditures required to maintain properties or agreements in good standing, describe how the proceeds at each threshold may impact these properties or agreements.

If the issuer anticipates additional funds from other sources are to be used in conjunction with the proceeds and the available working capital, the issuer will need to sufficiently describe the amounts of those funds, the source of those funds and whether those funds are firm or contingent. If the funds are contingent, the issuer should describe the nature of the contingency.

Depending on the particular circumstances of the issuer, one or more of the above examples may require the provision of a minimum offering amount in the prospectus. Refer to section 2.2.1 of this Policy for additional guidance.”.

**8. Subsection 5.3(1) is changed by**

- (a) **in the first paragraph, adding the following after the first sentence:**

“However, if the issuer is a reporting issuer whose principal assets are not cash, cash equivalents or an exchange listing, and the acquisition of the primary business represents a significant acquisition for the issuer, the reporting issuer is subject to the requirements of Item 35 in respect of the financial statement and other disclosure for the acquisition.

An acquisition does not include a reverse takeover, as defined in NI 41-101 which cross-references the meaning of acquisition as used in Part 8 of NI 51-102. Therefore a reporting issuer cannot rely on the exemption in subsection 32.1(2) if the applicable transaction is a reverse takeover.”, **and**

- (b) **in the third paragraph, adding “, thereby triggering the application of Item 32,” before “are when the acquisition(s) was”.**

**9. Subsection 5.3(2) is changed by adding the following paragraph at the end:**

“The issuer must also consider the necessity of including pro forma financial statements pursuant to section 32.7 of Form 41-101F1 to illustrate the impact of the acquisition of the primary business on the issuer’s financial position and results of operations. For additional guidance, an issuer should refer to section 5.10 of this Policy.”.

**10. Subsection 5.4(1) is changed by replacing “In these circumstances, the issuer should consider including pro forma financial statements in the prospectus giving effect to the recently completed or proposed acquisition of a predecessor entity.” with the following:**

“However, if the issuer is a reporting issuer whose principal assets are not cash, cash equivalents or an exchange listing, and the acquisition of the predecessor entity represents a significant acquisition for the issuer, the reporting issuer is subject to the requirements of Item 35 in respect of the financial statement and other disclosure for the acquisition.

The issuer must also consider the necessity of including pro forma financial statements pursuant to section 32.7 of Form 41-101F1 to illustrate the impact of the acquisition of the predecessor entity on the issuer’s financial position and results of operations. For additional guidance, an issuer should refer to section 5.10 of this Policy.”.

**11. Subsection 5.9(7) is changed by**

- (a) **adding “to” before “private enterprises in certain circumstances.”, and**
- (b) **adding “and the issuer must provide financial statements for this acquisition under Item 32” after “predecessor of the issuer”.**

**12. Section 5.10 is replaced with the following:**

**“Financial statements for acquisitions of a predecessor entity, a business or businesses acquired by reporting and non-reporting issuers**

**5.10(1)** The financial statements for acquisitions of a predecessor entity, a business or businesses acquired by the issuer, or other entity must be included in the prospectus under Item 32 of Form 41-101F1, if the entities or businesses

satisfy the conditions of paragraph 32.1(1)(a), (b), or (c) unless, as contemplated in subsection 32.1(2) with respect to paragraph 32.1(1)(a) or (b)

- (a) the issuer was a reporting issuer in any jurisdiction of Canada on the acquisition date in the case of a completed acquisition or immediately prior to the prospectus filing in the case of a proposed acquisition,
- (b) the issuer did not have only cash, cash equivalents or an exchange listing as its principal asset, and
- (c) the issuer provides disclosure under Item 35 of Form 41-101F1.

The disclosure requirements applicable to a reporting issuer in Item 35 are intended to reflect the requirements that would be prescribed for such acquisitions in the reporting issuer's business acquisition report.

**(2)** An issuer that is subject to Item 32 must also consider the necessity of including pro forma financial statements pursuant to section 32.7 of Form 41-101F1 to illustrate the impact of the acquisition on the issuer's financial position and results of operations. However, these pro forma financial statements are only required if their inclusion is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed. Examples of when pro forma financial statements would likely be necessary are in cases where:

- (a) the issuer has acquired multiple businesses over the relevant period; or
- (b) the issuer has an active business and has acquired another business that will constitute its primary business going forward.

In certain circumstances, an issuer may need to disclose multiple acquisitions in its prospectus where the acquisitions include an acquisition of a primary business or predecessor entity to which section 32.1 of Form 41-101F1 applies and a significant acquisition to which only item 35 of Form 41-101F1 applies. In this case, the issuer may wish to present one set of pro forma financial statements reflecting the results of all of the acquisitions, as contemplated separately in each of sections 32.8 and 35.7 of Form 41-101F1. The securities regulatory authority or regulator would not generally object to providing this relief. However the issuer must request the relief when filing its preliminary prospectus.”

- 13.** These changes become effective on May 14, 2013.



5.1.3 Amendments to NI 44-101 Short Form Prospectus Distributions and Companion Policy 44-101CP

**AMENDMENTS TO  
NATIONAL INSTRUMENT 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS**

1. **National Instrument 44-101 Short Form Prospectus Distributions is amended by this Instrument.**
2. **Section 1.1 is amended by**
  - (a) **after the definition of “permitted supranational agency”, adding the following definition:**

“reverse takeover acquiree” has the same meaning as in section 1.1 of NI 51-102;”, **and**
  - (b) **replacing the definition of “successor issuer” with the following:**

“successor issuer” means

    - (a) except for an issuer which, in the case where the restructuring transaction involved a divestiture of a portion of a reporting issuer’s business, succeeded to or otherwise acquired less than substantially all of the business divested, an issuer that meets any of the following requirements:
      - (i) it was a reverse takeover acquiree in a completed reverse takeover;
      - (ii) it was formed as a result of a completed restructuring transaction;
      - (iii) it participated in a restructuring transaction and its existence continued following the completion of the restructuring transaction; or
    - (b) an issuer that issued securities to the securityholders of a second issuer that was a reporting issuer, in a reorganization that did not alter those securityholders’ proportionate interest in the second issuer or the second issuer’s proportionate interest in its assets;”.
3. **Section 2.7 is amended by replacing “Exemptions for New Reporting Issuers and Successor Issuers” in the title with “Exemptions for Reporting Issuers that Previously Filed a Prospectus and Successor Issuers”.**
4. **Subsection 2.7(1) is amended by replacing “Paragraph 2.2(d), paragraph 2.3(1)(d) and paragraph 2.6(1)(b)” with “Paragraphs 2.2(d), 2.3(1)(d) and 2.6(1)(b)”.**
5. **Paragraph 2.7(1)(a) is amended by adding “any” after “has not yet been required under the applicable CD rule to file”.**
6. **Section 2.7 is amended by adding the following subsection after subsection (1):**

“(1.1) Subparagraphs 2.2(d)(ii), 2.3(1)(d)(ii) and 2.6(1)(b)(ii) do not apply to an issuer if

  - (a) the issuer has filed annual financial statements as required under the applicable CD rule, and
  - (b) unless the issuer is seeking qualification under section 2.6, the issuer has filed and obtained a receipt for a final prospectus that included the issuer’s or each predecessor entity’s comparative annual financial statements for its most recently completed financial year or the financial year immediately preceding its most recently completed financial year, together with the auditor’s report accompanying those financial statements and, if there has been a change of auditors since the comparative period, an auditor’s report on the financial statements for the comparative period.”.
7. **Subsection 2.7(2) is amended by replacing “Paragraph 2.2(d), paragraph 2.3(1)(d) and paragraph 2.6(1)(b)” with “Paragraphs 2.2(d), 2.3(1)(d) and 2.6(1)(b)”.**
8. **Paragraph 2.7(2)(a) is amended by adding “or the reorganization described in paragraph (b) of the definition of “successor issuer”,” after “transaction”.**

**9. Paragraph 2.7(2)(b) is amended by**

- (a) **replacing** “that” **with** “or the reorganization described in paragraph (b) of the definition of “successor issuer”, in which the successor issuer participated or which”, **and**
- (b) **adding** “or reorganization” **after** “an issuer that was a party to the restructuring transaction”.

**10. Subparagraph 2.7(2)(b)(ii) is amended by adding** “in the case of a restructuring transaction,” **before** “included”.

**11. Section 2.7 is amended by adding the following subsection after subsection (2):**

- “(3) Paragraphs 2.2(d), 2.3(1)(d) and 2.6(1)(b) do not apply to an issuer if
- (a) the issuer is not exempt from the requirement in the applicable CD rule to file annual financial statements within a prescribed period after its financial year end, but the issuer has not yet, since the completion of a qualifying transaction or reverse takeover (as both terms are defined in the TSX Venture Exchange Corporate Finance Manual, as amended from time to time) been required under the applicable CD rule to file annual financial statements, and
  - (b) a CPC filing statement as defined in the TSX Venture Exchange Corporate Finance Manual as amended from time to time, or other filing statement of the TSX Venture Exchange was filed by the issuer and,
    - (i) in the case of a CPC filing statement, the statement
      - (A) was filed in connection with a qualifying transaction, and
      - (B) complied with the TSX Venture Exchange Corporate Finance Manual, as amended from time to time, in respect of the qualifying transaction; or
    - (ii) in the case of a TSX Venture Exchange filing statement, other than a CPC filing statement, the statement
      - (A) was filed in connection with a reverse takeover, and
      - (B) complied with TSX Venture Exchange Corporate Finance Manual, as amended from time to time, in respect of the reverse takeover.”.

**12. Subsection 2.8(5) is repealed.**

**13. Section 2.8 is amended by adding the following subsection after subsection (5):**

- “(6) The 10 business day period referred to in subsection (1) does not apply if
- (a) an issuer is relying on section 2.4 or 2.5 and the following requirements are met:
    - (i) the issuer satisfies section 2.4 or 2.5, as applicable, at the time of filing its short form prospectus;
    - (ii) the issuer files its notice of intention before or concurrently with the filing of its preliminary short form prospectus; and
    - (iii) the issuer’s credit supporter
      - (A) previously filed a notice of intention under subsection (1) which has not been withdrawn; or
      - (B) is deemed to have filed a notice of intention under subsection (4); or

- (b) an issuer is a successor issuer and the following requirements are met:
  - (i) the issuer satisfies
    - (A) section 2.2, 2.3 or 2.6, and
    - (B) subsection 2.7(2);
  - (ii) the issuer files its notice of intention before or concurrently with the filing of its preliminary short form prospectus; and
  - (iii) the issuer has acquired substantially all of its business from a person or company that
    - (A) previously filed a notice of intention under subsection (1) which has not been withdrawn; or
    - (B) is deemed to have filed a notice of intention under subsection (4).”.

14. **Section 4.1 is amended by renumbering it as subsection 4.1(1).**

15. **Subparagraph 4.1(1)(b)(i) is amended by**

- (a) **replacing** “Appendix A to NI 41-101” **with** “personal information form”, **and**
- (b) **deleting** “for whom the issuer has not previously filed or delivered.”.

16. **Clause 4.1(1)(b)(i)(D) is amended by replacing** “promoter,” with “promoter;”.

17. **Clause 4.1(1)(b)(i)(E) is repealed.**

18. **Clause 4.1(1)(b)(i)(F) is repealed.**

19. **Clause 4.1(1)(b)(i)(G) is repealed.**

20. **Section 4.1 is amended by adding the following after subsection (1):**

- “(2) Despite subparagraph (1)(b)(i), an issuer is not required to deliver to the regulator a personal information form for an individual if the issuer, another issuer or, if the issuer is an investment fund, the manager of the investment fund issuer or another investment fund issuer, previously delivered a personal information form for the individual and all of the following are satisfied:
  - (a) the certificate and consent included in or attached to the personal information form was executed by the individual within three years preceding the date of filing of the preliminary short form prospectus;
  - (b) the responses given by the individual to questions 6 through 10 of the individual’s personal information form are correct as at a date that is within 30 days of the filing of the preliminary short form prospectus;
  - (c) if the personal information form was previously delivered to the regulator by another issuer, the issuer delivers to the regulator, concurrently with the filing of the preliminary short form prospectus, a copy of the previously delivered personal information form, or alternative information that is satisfactory to the regulator.
- (3) Until May 14, 2016, subparagraph (1)(b)(i) does not apply to an issuer in respect of the delivery of a personal information form for an individual if the issuer or, if the issuer is an investment fund, the manager of the investment fund issuer, previously delivered to the regulator a predecessor personal information form for the individual and all of the following are satisfied:
  - (a) the certificate and consent included in or attached to the predecessor personal information form was executed by the individual within three years preceding the date of filing of the preliminary short form prospectus;

- (b) the responses given by the individual to questions 4(B) and (C) and questions 6 through 9 or, in the case of a TSX/TSXV personal information form in effect after September 8, 2011, questions 6 through 10, of the individual's predecessor personal information form are correct as at a date that is within 30 days of the filing of the preliminary short form prospectus."

**21. Subparagraph 4.2(a)(vi) is amended by**

- (a) **deleting "and" in clause (A),**
- (b) **adding the following clause after clause (A):**  
"(A.1) each director of the issuer, and", **and**
- (c) **replacing "each person or company required to provide a certificate under Part 5 of NI 41-101 or other securities legislation, other than an issuer," in clause (B) with "any other person or company that provides or signs a certificate under Part 5 of NI 41-101 or other securities legislation, other than an issuer,".**

**22. Subparagraph 4.2(a)(x) is amended by**

- (a) **after "Undertaking to File", replacing "Documents and Material Contracts" with "Agreements, Contracts and Material Contracts",**
- (b) **replacing "a document referred to in subparagraph (iii) or (iii.1)" with "an agreement or contract referred to in subparagraph (iii) or a material contract under subparagraph (iii.1)",**
- (c) **deleting "or become effective" wherever it appears,**
- (d) **adding "final" before "short form prospectus", and**
- (e) **replacing "file the document promptly and in any event within seven days after the completion of the distribution; and" with "file the agreement, contract or material contract promptly and in any event no later than seven days after the execution of the agreement, contract or material contract;".**

**23. Paragraph 4.2(a) is amended by adding the following subparagraph after subparagraph (x):**

"(x.1) **Undertaking to File Unexecuted Documents** – if a document referred to in subparagraph (iii) does not need to be executed in order to become effective and has not become effective before the filing of the final short form prospectus, but will become effective on or before the completion of the distribution, the issuer must file with the securities regulatory authority, no later than the time of filing of the final short form prospectus, an undertaking of the issuer to the securities regulatory authority to file the document promptly and in any event no later than seven days after the document becomes effective; and".

**24. Section 7.1 is amended by replacing "filing of a preliminary short form prospectus" with "issuance of a receipt for a preliminary short form prospectus".**

**25. Section 7.2 is amended by replacing "filing of a preliminary short form prospectus" with "issuance of a receipt for a preliminary short form prospectus".**

**26. Subsection 1.6(2) of Form 44-101F1 Short Form Prospectus is amended by replacing**

- "(2) If there is an over-allotment option or an option to increase the size of the distribution before closing,
  - (a) disclose that a purchaser who acquires securities forming part of the underwriters' over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases, and
  - (b) describe the terms of the option."

**with the following:**

- "(2) Describe the terms of any over-allotment option or any option to increase the size of the distribution before closing."

**27. Section 1.6 of Form 44-101F1 is amended by adding the following subsection after Subsection 1.6(2):**

“(2.1) If there may be an over-allocation position provide the following disclosure:

A purchaser who acquires [insert type of securities qualified for distribution under the prospectus] forming part of the underwriters’ over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases.”.

**28. Subsection 1.6(3) of Form 44-101F1 is amended by replacing “, provide totals for both the minimum and maximum subscriptions, if applicable.” with the following:**

“and a minimum offering amount

- (a) is required for the issuer to achieve one or more of the purposes of the offering, provide totals for both the minimum and maximum offering amount, or
- (b) is not required for the issuer to achieve any of the purposes of the offering, state the following in boldface type:

**“There is no minimum amount of funds that must be raised under this offering. This means that the issuer could complete this offering after raising only a small proportion of the offering amount set out above.”.**

**29. Subsection 1.9(1) of Form 44-101F1 is amended by adding “or series” after “class”.**

**30. Section 1.11 of Form 44-101F1 is amended by replacing**

**“International issuers**

If the issuer, a selling securityholder, or any person or company required to provide a certificate under Part 5 of NI 41-101 or other securities legislation, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following on the cover page or under a separate heading elsewhere in the short form prospectus, with the bracketed information completed:

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

**with the following:**

**“Enforcement of Judgments Against Foreign Persons or Companies**

If the issuer, a director of the issuer, a selling securityholder, or any other person or company that is signing or providing a certificate under Part 5 of NI 41-101 or other securities legislation, or any person or company for whom the issuer is required to file a consent under Part 10 of NI 41-101, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed:

“The [issuer, director of the issuer, selling securityholder, or other person or company] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada.

[the person or company named below] has appointed the following agent(s) for service of process:

Name of Person or Company	Name and Address of Agent

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a

foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.”.

**31. Subsection 4.2(2) of Form 44-101F1 is amended by**

(a) **replacing** “subscription” **with** “offering amount”, **and**

(b) **replacing** “subscriptions” **with** “offering amounts”.

**32. Section 4.2 of Form 44-101F1 is amended by adding the following subsections after subsection (2):**

“(3) If the following apply, disclose how the proceeds will be used by the issuer, with reference to various potential thresholds of proceeds raised, in the event that the issuer raises less than the maximum offering amount:

(a) the closing of the distribution is not subject to a minimum offering amount;

(b) the distribution is to be on a best efforts basis; and

(c) the issuer has significant short-term non-discretionary expenditures including those for general corporate purposes, or significant short-term capital or contractual commitments, and may not have other readily accessible resources to satisfy those expenditures or commitments.

(4) If the issuer is required to provide disclosure under subsection (3), the issuer must discuss, in respect of each threshold, the impact, if any, of raising each threshold amount on its liquidity, operations, capital resources and solvency.

**INSTRUCTIONS**

*If the issuer is required to disclose the use of proceeds at various thresholds under subsections 4.2(3) and (4), include as an example a threshold that reflects the receipt of 15% of the offering or less.”*

**33. Subsection 4.10(1) of Form 44-101F1 is amended by**

(a) **replacing** “acquired on a short-form prospectus-exempt basis” **with** “acquired on a prospectus-exempt basis”, **and**

(b) **replacing** “proceeds of the short-form prospectus-exempt financing” **with** “proceeds of the prospectus-exempt financing”.

**34. Section 7.6 of Form 44-101F1 is amended by replacing** “disclose that holders of such securities have been provided with a contractual right of rescission and provide the following disclosure in the short form prospectus, with the bracketed information completed” **with** “state the following”.

**35. Section 7A.1 of Form 44-101F1 is amended by**

(a) **adding** “or series” **after** “each class”,

(b) **adding** “or exchangeable” **after** “convertible”, **and**

(c) **adding** “or series” **after** “those classes”.

**36. Paragraph 7A.1(a) of Form 44-101F1 is amended by adding** “sold by the” **before** “selling securityholder”.

**37. Paragraph 7A.1(b) of Form 44-101F1 is amended by adding** “or sold” **after** “issued”.

**38. Paragraph 7A.1(c) of Form 44-101F1 is amended by adding** “or sold” **after** “issued”.

**39. Subsection 7A.2(1) of Form 44-101F1 is amended by**

(a) **replacing** “each class of” **with** “the following”,

(b) **replacing** “is” **with** “are”,

(c) **adding** “for the securities” **after** “quotation”, **and**

(d) **replacing** “generally occurs.” **with the following:**

“generally occurs:

(a) each class or series of securities of the issuer distributed under the short form prospectus;

(b) securities of the issuer into which those classes or series of securities are convertible or exchangeable.”.

**40. Subsection 7A.2(2) of Form 44-101F1 is amended by**

(a) **replacing** “If a class of” **with** “For the following”,

(b) **replacing** “is” **with** “that are”,

(c) **replacing** “but is traded” **with** “but are traded”,

(d) **adding** “for the securities” **after** “quotation”, **and**

(e) **replacing** “generally occurs.” **with the following:**

“generally occurs:

(a) each class or series of securities of the issuer distributed under the short form prospectus;

(b) securities of the issuer into which those classes or series of securities are convertible or exchangeable.”.

**41. Subsection 11.1(2) of Form 44-101F1 is amended by adding** “applicable portions of” **after** “clarify that”.

**42. Section 11.1 of Form 44-101F1 is amended by adding the following subsection after subsection (2):**

“(3) Despite paragraph 7 of subsection (1), an issuer may exclude from its short form prospectus a report, valuation, statement or opinion of a person or company contained in an information circular prepared in connection with a special meeting of securityholders of the issuer, and any references therein, if

(a) the report is not an auditor’s report in respect of financial statements of a person or company; and

(b) the report, valuation, statement or opinion was prepared in respect of a specific transaction contemplated in the information circular, unrelated to the distribution of securities under the short form prospectus, and that transaction has been abandoned or completed.”.

**43. Subsection 11.3(2) of Form 44-101F1 is amended by**

(a) **adding** “or 2.7(3)” **after** “2.7(2)” **and**

(b) **replacing** “Item 14.2 or 14.5 of Form 51-102F5 in the information circular referred to in paragraph 2.7(2)(b) of the Instrument.” **with the following:**

“(a) Section 14.2 or 14.5 of Form 51-102F5 in the information circular referred to in paragraph 2.7(2)(b) of the Instrument; or

(b) the policies and requirements of the TSX Venture Exchange for disclosure of a qualifying transaction in a CPC filing statement or a reverse takeover in a filing statement referred to in paragraph 2.7(3)(b) of the Instrument.”.

**44. The INSTRUCTION section of section 11.3 of Form 44-101F1 is amended by numbering the existing text as subsection (1).**

45. **Subsection (1) of the INSTRUCTION section of section 11.3 is amended by**
- (a) **adding “11.3” before “(2)”, and**
  - (b) **adding “; CPC filing statement or other filing statement of the TSX Venture Exchange” after “information circular”.**
46. **The INSTRUCTION section of section 11.3 of Form 44-101F1 is amended by adding the following subsection after subsection (1):**
- “(2) *The disclosure referenced in instruction (1) must be presented in a way that supplements, but does not replace, the disclosure required to be made for a transaction that constitutes a significant acquisition for the issuer or a reverse takeover in which the issuer was involved.*”.
47. **Item 11 of Form 44-101F1 is amended by adding the following after the INSTRUCTION section of section 11.4:**
- “11.5 Additional Disclosure for Issuers of Asset-Backed Securities**
- If the issuer has not filed or has not been required to file interim financial statements and related MD&A in respect of an interim period subsequent to the financial year in respect of which it has included annual financial statements in the short form prospectus because it is not a reporting issuer and is qualifying to file the short form prospectus under section 2.6 of the Instrument, include the interim financial statements and related MD&A that the issuer would have been required to incorporate by reference under paragraph 3 of subsection 11.1(1) if the issuer were a reporting issuer at the relevant time.”.
48. **Section 15.3 of Form 44-101F1 is amended by**
- (a) **replacing “that” with “the”, and**
  - (b) **adding “and the disclosure is correct as at the date of the prospectus” after “AIF”.**
49. **Section 20.1 of Form 44-101F1 is amended by replacing “revisions of the price of damages” with “revisions of the price or damages”.**
50. **Item 20 of Form 44-101F1 is amended by adding the following section after section 20.2:**
- “20.3 Convertible, Exchangeable or Exercisable Securities** - In the case of an offering of convertible, exchangeable or exercisable securities in which additional amounts are payable or may become payable upon conversion, exchange or exercise, provide a statement in the following form:
- “In an offering of [state name of convertible, exchangeable or exercisable securities], investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial [and territorial] securities legislation, to the price at which the [state name of convertible, exchangeable or exercisable securities] is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces [and territories], if the purchaser pays additional amounts upon [conversion, exchange or exercise] of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces [and territories]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province [or territory] for the particulars of this right of action for damages or consult with a legal adviser.”
- INSTRUCTION*
- For greater certainty, in the case of a short form prospectus that is a base shelf prospectus under NI 44-102, issuers must include the above statement, unless it is stated in the base shelf prospectus that no convertible, exchangeable or exercisable securities will be offered, or that such securities may be offered but no amounts will be payable to convert, exchange or exercise those securities.”*
51. This Instrument comes into force on May 14, 2013.



**CHANGES TO  
COMPANION POLICY 44-101CP TO NATIONAL INSTRUMENT 44-101  
SHORT FORM PROSPECTUS DISTRIBUTIONS**

1. **The changes to Companion Policy 44-101CP to National Instrument 44-101 Short Form Prospectus Distributions are set out in this schedule.**

2. **Subsection 1.7(5) is changed by**

(a) **replacing** “The definition of “successor issuer” requires that the issuer exist “as a result of a restructuring transaction.” **with the following:**

“A successor issuer is defined to include a reverse takeover acquiree in a completed reverse takeover. Alternatively, the definition of “successor issuer” requires that the issuer was formed “as a result of a restructuring transaction” or that the issuer participate in the restructuring transaction and continue to exist following completion of the restructuring transaction. In both instances, prospectus level disclosure or comparable disclosure prescribed by the TSX Venture Exchange for such issuer must be provided in an information circular or similar disclosure document pursuant to subsections 2.7(2) and (3) of NI 44-101.”

(b) **replacing** “existing” **with** “having been formed”,

(c) **deleting the following:**

“Also, if a corporation is incorporated for the sole purpose of facilitating a restructuring transaction, the securities regulatory authorities regard the new corporation as “existing as a result of a restructuring transaction” despite the fact that the corporation may have been incorporated before the restructuring transaction.”, **and**

(d) **adding the following at the end:**

“However, if the divestiture represents a divestiture of substantially all of the business of the predecessor entity to the issuer, the issuer would be considered a successor issuer. In such circumstances, the financial information concerning the predecessor entity should be representative of the financial information of the successor issuer. Therefore, if an issuer is relying on this basis for short form prospectus qualification, it must ensure that the financial statements of the predecessor entity are a relevant, accurate proxy for its financial statements as a successor issuer.

An issuer may also be considered a successor issuer to a second issuer where there has been an internal reorganization of the second issuer, provided that the conditions in paragraph (b) of the definition of “successor issuer” are met. In particular, the internal reorganization must not result in an alteration of the securityholders’ proportionate interest in the second issuer nor the second issuer’s proportionate interest in its assets. For example, this may arise in an internal reorganization in which all of the securityholders of the second issuer exchange their securities in the second issuer for securities of the successor issuer. The second issuer would become a subsidiary of the successor issuer and its ownership in its assets would remain the same. The successor issuer definition was expanded to include this type of internal reorganization as it may not be considered a “restructuring transaction” as defined in NI 51-102 by virtue of the exclusion found at the end of the definition of “restructuring transaction”.

3. **Subsection 2.1(1) is changed in the second paragraph by deleting** “and, in Québec, disclosure of material facts likely to affect the value or the market price of the securities to be distributed”.

4. **Part 3 is changed by**

(a) **adding the following section after section 3.2:**

**“3.2.1 Personal information forms** – (1) If issuers are relying upon a previously delivered personal information form or predecessor personal information form pursuant to subsections 4.1(2) or 4.1(3) of NI 44-101, issuers are reminded of paragraphs 4.1(2)(b) and 4.1(3)(b), which require that the responses to certain questions in the form must still be correct. Accordingly, in order to meet these requirements issuers should obtain appropriate confirmations from the individual concerned.

(2) Paragraph 4.1(2)(c) of NI 44-101 requires that in certain circumstances an issuer deliver a copy of a previously delivered personal information form, or “alternative information that is satisfactory to the regulator”.

Our interpretation of what would potentially be alternative information that is satisfactory to the regulator is, with respect to the previous delivery of an individual's personal information form, the System for Electronic Document Analysis and Retrieval (SEDAR) project number and name of issuer. In most cases this information will be sufficient. Staff will contact issuers in cases where it is not. Issuers wishing to proceed in this manner should provide the information in the cover letter for the preliminary short form prospectus.

(3) If an issuer is delivering a copy of a previously delivered personal information form pursuant to paragraph 4.1(2)(c) of NI 44-101, the issuer should deliver it as a personal information form on SEDAR, in the same way that a new personal information form would be delivered.”

**(b) adding the following section after section 3.4:**

**“3.4.1 Special meeting information circular** – Subsection 11.1(3) of Form 44-101F1 sets out certain circumstances where an issuer is not required to incorporate by reference into its prospectus a report, valuation, statement or opinion of an expert that is indirectly incorporated by reference into its prospectus through the incorporation by reference of an information circular prepared for a special meeting of the issuer. A special meeting information circular often relates to a restructuring transaction of an issuer or other special business of the issuer. In these circumstances, the issuer or its board of directors may engage an expert to provide an opinion that is specific to the business that will be considered at the special meeting of securityholders. For example, the board may retain a person or company to provide a fairness opinion which would assist the board in determining whether to recommend the approval of the proposed transaction to its securityholders. Similarly, the issuer may include a tax opinion in the information circular to illustrate the tax consequences of the proposed transaction to its securityholders. Pursuant to subsection 11.1(3), we would not require the incorporation by reference of these particular opinions, provided that these opinions were prepared in respect of the specific transaction contemplated in the information circular and this transaction has been completed or abandoned prior to the filing of the prospectus.”, **and**

**(c) adding the following section after section 3.9:**

**“3.10 No Minimum Offering Amount** – Issuers distributing securities on a best efforts basis that have not specified a minimum offering amount in their prospectus, should refer to section 2.2.1 and subsection 4.3(3) of the Companion Policy to NI 41-101 for further guidance.”

5. These changes become effective on May 14, 2013.

5.1.4 Amendments to NI 44-102 Shelf Distributions and Companion Policy 44-102CP

**AMENDMENTS TO  
NATIONAL INSTRUMENT 44-102 SHELF DISTRIBUTIONS**

1. ***National Instrument 44-102 Shelf Distributions is amended by this Instrument.***

2. ***Section 5.6 is amended by adding the following paragraph after paragraph 6:***

“6.1 The information required under item 7A of Form 44-101F1 for securities that may be distributed under the base shelf prospectus, if the specific series or class of securities that will be distributed under the base shelf prospectus is not known on the date the base shelf prospectus is filed.”

3. ***Section 7.2 is amended by adding the following new subsections after subsection (1):***

“(1.1) Despite subsection (1), if the expert whose consent is required is a “qualified person” as defined in NI 43-101, the issuer is not required to file the consent of the qualified person if

- (a) the qualified person’s consent is required in connection with a technical report that was not required to be filed with the preliminary base shelf prospectus,
- (b) the qualified person was employed by a person or company at the date of signing the technical report,
- (c) the principal business of the person or company is providing engineering or geoscientific services, and
- (d) the issuer files the consent of the person or company.

(1.2) A consent filed under subsection (1.1) must be signed by an individual who is an authorized signatory of the person or company and who falls within paragraphs (a), (b), (d) and (e) of the definition of “qualified person” in NI 43-101.”

4. ***Subsection 7.2(2) is amended by adding, after “subsection (1)”, the words “or subsections (1.1) and (1.2)”.***

5. ***Subsection 9.1(1) is amended by***

- (a) ***replacing “6.1” with “7.2”, and***
- (b) ***replacing “44-101” with “41-101”.***

6. This Instrument comes into force on May 14, 2013.

**CHANGE TO  
COMPANION POLICY 44-102CP TO NATIONAL INSTRUMENT 44-102 SHELF DISTRIBUTIONS**

1. ***The change to Companion Policy 44-102CP to National Instrument 44-102 Shelf Distributions is set out in this schedule.***
2. ***Section 2.6.1 is changed by adding*** “for which a consent was not previously filed” ***after*** “financial statements incorporated by reference”.
3. This change becomes effective on May 14, 2013.

5.1.5 Amendments to NI 81-101 Mutual Fund Prospectus Disclosure and Companion Policy 81-101CP

**AMENDMENTS TO  
NATIONAL INSTRUMENT 81-101 MUTUAL FUND PROSPECTUS DISCLOSURE**

1. ***National Instrument 81-101 Mutual Fund Prospectus Disclosure is amended by this Instrument.***

2. ***Section 1.1 is amended by***

(a) ***repealing the definition of “Personal Information Form and Authorization”,***

(b) ***after the definition of “Part B Section”, adding the following definition:***

“personal information form” means

(a) a completed Schedule 1 of Appendix A to National Instrument 41-101 *General Prospectus Requirements*, or

(b) a completed TSX/TSXV personal information form submitted by an individual to the Toronto Stock Exchange or to the TSX Venture Exchange to which is attached a completed certificate and consent in the form set out in Schedule 1 – Part B of Appendix A to National Instrument 41-101 *General Prospectus Requirements*;

(c) ***after the definition of “precious metals fund”, adding the following definition:***

“predecessor personal information form” means

(a) a completed Schedule 1 of Appendix A to National Instrument 41-101 *General Prospectus Requirements* in the form that was in effect from March 17, 2008 until May 14, 2013, or

(b) a completed TSX/TSXV personal information form to which is attached a completed certificate and consent in the form that was in effect between March 17, 2008 and May 14, 2013;

(d) ***in the definition of “single AIF”, deleting “and”,***

(e) ***in the definition of “single SP”, replacing “.” with “; and” after the words “under subsection 5.1(1)”; and***

(f) ***after the definition of “single SP”, adding the following definition;***

“TSX/TSXV personal information form” means a completed personal information form of an individual in compliance with the requirements of Form 4 for the Toronto Stock Exchange or Form 2A for the TSX Venture Exchange, as applicable, each as amended from time to time.”

3. ***Paragraph 2.3(1)(b) is amended by replacing:***

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

(A) each director and executive officer of the mutual fund,

(B) each director and executive officer of the manager of the mutual fund,

(C) each promoter of the mutual fund, and

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

unless

(E) a completed Personal Information Form and Authorization,

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

(I) the form set out in Appendix B of NI 44-101,

- (II) the form set out in Ontario Form 41-501F2 *Authorization of Indirect Collection of Personal Information*, or
- (III) the form set out in Appendix A of Québec Regulation Q-28 *Respecting General Prospectus Requirements*, or
- (G) before March 17, 2008, a completed personal information form or authorization in a form substantially similar to a personal information form or authorization in clause (E) or (F), as permitted under securities legislation,

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

**with the following:**

- “(ii) a personal information form for:
  - (A) each director and executive officer of the mutual fund;
  - (B) each director and executive officer of the manager of the mutual fund;
  - (C) each promoter of the mutual fund;
  - (D) if the promoter is not an individual, each director and executive officer of the promoter,”.

**4. Section 2.3 is amended by adding the following subsections after subsection 2.3(1):**

- “(1.1) Despite subparagraph (1)(b)(ii), a mutual fund is not required to deliver to the regulator a personal information form for an individual if the mutual fund, the mutual fund’s manager, another issuer or the manager of another investment fund issuer, previously delivered a personal information form for the individual and all of the following are satisfied:
  - (a) the certificate and consent included in or attached to the personal information form was executed by the individual within three years preceding the date of filing of the preliminary simplified prospectus, preliminary annual information form and preliminary fund facts document for each class or series of securities of the mutual fund;
  - (b) the responses given by the individual to questions 6 through 10 of the individual’s personal information form are correct as at a date that is no earlier than 30 days before the filing of the preliminary simplified prospectus, preliminary annual information form and preliminary fund facts document for each class or series of securities of the mutual fund;
  - (c) if the personal information form was previously delivered to the regulator by another issuer, the issuer delivers to the regulator, concurrently with the filing of the preliminary simplified prospectus, preliminary annual information form and preliminary fund facts document for each class or series of securities of the mutual fund, a copy of the previously delivered personal information form or alternative information that is satisfactory to the regulator.
- (1.2) Until May 14, 2016, subparagraph (1)(b)(ii) does not apply to a mutual fund in respect of the delivery of a personal information form for an individual if the mutual fund, the mutual fund’s manager, another issuer or the manager of another investment fund issuer previously delivered to the regulator a predecessor personal information form for the individual and all of the following are satisfied:
  - (a) the certificate and consent included in or attached to the predecessor personal information form was executed by the individual within three years preceding the date of filing of the preliminary simplified prospectus, preliminary annual information form and preliminary fund facts document for each class or series of securities of the mutual fund;
  - (b) the responses given by the individual to questions 4(B) and (C) and questions 6 through 9 or, in the case of a TSX/TSXV personal information form in effect after September 8, 2011, questions 6 through 10, of the individual’s predecessor personal information form are correct as at a date that is no earlier than 30 days before the filing of the preliminary simplified prospectus, preliminary annual information form and preliminary fund facts document for each class or series of securities of the mutual fund.”.

**5. Paragraph 2.3(2)(a) is amended by**

- (a) **deleting “and” after “has not already been filed,” from subparagraph 2.3(2)(a)(ii), and**
- (b) **adding the following after subparagraph 2.3(2)(a)(ii):**

- “(ii.1) a copy of the following documents and a copy of any amendment to the following documents that have not previously been filed:
  - (A) by-laws or other corresponding instruments currently in effect,
  - (B) any securityholder or voting trust agreement that the mutual fund has access to and that can reasonably be regarded as material to an investor in securities of the mutual fund, and”.

**6. Subparagraph 2.3(2)(b)(iii) is repealed.**

**7. Paragraph 2.3(2)(b) is amended by replacing:**

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

- (A) each director and executive officer of the mutual fund,
  - (B) each director and executive officer of the manager of the mutual fund,
  - (C) each promoter of the mutual fund, and
  - (D) if the promoter is not an individual, each director and executive officer of the promoter,
- unless
- (E) a completed Personal Information Form and Authorization,
  - (F) before March 17, 2008, a completed authorization in
    - (I) the form set out in Appendix B of NI 44-101,
    - (II) the form set out in Ontario Form 41-501F2 *Authorization of Indirect Collection of Personal Information*, or
    - (III) the form set out in Appendix A of Québec Regulation Q-28 *Respecting General Prospectus Requirements*, or
  - (G) before March 17, 2008, a completed personal information form or authorization in a form substantially similar to a personal information form or authorization in clause (E) or (F), as permitted under securities legislation,

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

**with the following:**

- “(iv) a personal information form for:
  - (A) each director and executive officer of the mutual fund;
  - (B) each director and executive officer of the manager of the mutual fund;
  - (C) each promoter of the mutual fund;
  - (D) if the promoter is not an individual, each director and executive officer of the promoter, and”.

**8. Section 2.3 is amended by adding the following subsection after subsection 2.3(2):**

- “(2.1) Despite subparagraph (2)(b)(iv), a mutual fund is not required to deliver to the regulator a personal information form for an individual if the mutual fund, the mutual fund’s manager, another issuer or the manager of another investment fund issuer previously delivered a personal information form for the individual and all of the following are satisfied:
- (a) the certificate and consent included in or attached to the personal information form was executed by the individual within three years preceding the date of filing of the *pro forma* simplified prospectus, *pro forma* annual information form and *pro forma* fund facts document for each class or series of securities of the mutual fund;
  - (b) the responses given by the individual to questions 6 through 10 of the individual’s personal information form are correct as at a date that is no earlier than 30 days before the filing of the *pro forma* simplified prospectus, *pro forma* annual information form and *pro forma* fund facts document for each class or series of securities of the mutual fund;
  - (c) if the personal information form was previously delivered to the regulator by another issuer, the issuer delivers to the regulator, concurrently with the filing of the *pro forma* simplified prospectus, *pro forma* annual information form and *pro forma* fund facts document for each class or series of securities of the mutual fund, a copy of the previously delivered personal information form or alternative information that is satisfactory to the regulator.
- (2.2) Until May 14, 2016, subparagraph (2)(b)(iv) does not apply to a mutual fund in respect of the delivery of a personal information form for an individual if the mutual fund, the mutual fund’s manager, another issuer or the manager of another investment fund issuer previously delivered to the regulator a predecessor personal information form for the individual and all of the following are satisfied:
- (a) the certificate and consent included in or attached to the predecessor personal information form was executed by the individual within three years preceding the date of filing of the *pro forma* simplified prospectus, *pro forma* annual information form and *pro forma* fund facts document for each class or series of securities of the mutual fund;
  - (b) the responses given by the individual to questions 4(B) and (C) and questions 6 through 9 or, in the case of a TSX/TSXV personal information form in effect after September 8, 2011, questions 6 through 10, of the individual’s predecessor personal information form are correct as at a date that is no earlier than 30 days before the filing of the *pro forma* simplified prospectus, *pro forma* annual information form and *pro forma* fund facts document for each class or series of securities of the mutual fund.”.

**9. Paragraph 2.3(3)(a) is amended by adding the following subparagraph after subparagraph 2.3(3)(a)(i):**

- “(i.1) a copy of the following documents and a copy of any amendment to the following documents that have not previously been filed:
- (A) by-laws or other corresponding instruments currently in effect,
  - (B) any securityholder or voting trust agreement that the mutual fund has access to and that can reasonably be regarded as material to an investor in securities of the mutual fund.”.

**10. Section 3.1 is amended by adding the following paragraphs after paragraph 1.1:**

- “1.2 If the mutual fund has not yet filed comparative annual financial statements of the mutual fund, the most recently filed interim financial statements of the mutual fund that were filed before or after the date of the simplified prospectus.
- 1.3 If the mutual fund has not yet filed interim financial statements or comparative annual financial statements of the mutual fund, the audited balance sheet that was filed with the simplified prospectus.
- 1.4 If the mutual fund has not yet filed an annual management report of fund performance of the mutual fund, the most recently filed interim management report of fund performance of the mutual fund that was filed before or after the date of the simplified prospectus.”.



11. **Subsection 1.1(3) of Form 81-101F2 Contents of Annual Information Form is amended by replacing “distributed” with “sold”.**
12. **Subsection 1.2(3) of Form 81-101F2 is amended by replacing “distributed” with “sold”.**
13. **Section 10.2 of Form 81-101F2 is amended by**
  - (a) **adding “executive” before “officers” in subsection 10.2(2), and**
  - (b) **adding “executive” before “officer” in**
    - (i) **subsection 10.2(3), and**
    - (ii) **subsection 10.2(4).**
14. **Section 10.6 of Form 81-101F2 is amended by**
  - (a) **adding “Executive” before “Officers” in the title,**
  - (b) **adding “executive” before “officers” in subsection 10.6(1); and**
  - (c) **adding “executive” before “officer” in**
    - (i) **subsection 10.6(4), wherever it occurs, and**
    - (ii) **subsection 10.6(5).**
15. **Subsection 16(1) of Form 81-101F2 is amended by replacing:**

“(f) any other contract or agreement that can reasonably be regarded as material to an investor in the securities of the mutual fund.”

**with the following:**

“(f) any other contract or agreement that is material to the mutual fund.”
16. **Item 22 of Form 81-101F2 is amended by replacing:**

“(1) Include a certificate of the principal distributor of the mutual fund that states:

“To the best of our knowledge, information and belief, this annual information form, the financial statements of the fund [specify] for the financial period ended [specify] and the auditors' report on those financial statements, together with the simplified prospectus and the fund facts document dated [specify], constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus and do not contain any misrepresentation.””

**with the following:**

“(1) Include a certificate of the principal distributor of the mutual fund that states:

“To the best of our knowledge, information and belief, this annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of [insert the jurisdictions in which qualified] and do not contain any misrepresentations.””
17. This Instrument comes into force on May 14, 2013.

**CHANGE TO  
COMPANION POLICY 81-101CP TO NATIONAL INSTRUMENT 81-101  
MUTUAL FUND PROSPECTUS DISCLOSURE**

1. ***The change to Companion Policy 81-101CP to National Instrument 81-101 Mutual Fund Prospectus Disclosure is set out in this schedule.***
2. ***The following section is added after section 2.5:***  
  
**“Personal Information Forms**
  - 2.5.1(1) If mutual funds are relying upon a previously delivered personal information form or predecessor personal information form, mutual funds are reminded that the responses to certain questions in the form must still be correct. Accordingly, in order to meet these requirements mutual funds should obtain appropriate confirmations from the individual concerned.
  - (2) Paragraphs 2.3(1.1)(c) and 2.3(2.1)(c) of the Instrument require that in certain circumstances a mutual fund deliver a copy of a previously delivered personal information form, or “alternative information that is satisfactory to the regulator”. Our interpretation of what would potentially be alternative information that is satisfactory to the regulator is, with respect to the previous delivery of an individual’s personal information form, the System for Electronic Document Analysis and Retrieval (SEDAR) project number and name of issuer. In most cases this information will be sufficient. Staff will contact mutual funds in cases where it is not. Mutual funds wishing to proceed in this manner should provide the information in the cover letter for the preliminary or pro forma simplified prospectus.
  - (3) If a mutual fund is delivering a copy of a previously delivered personal information form pursuant to paragraphs 2.3(1.1)(c) and 2.3(2.1)(c) of the instrument, the mutual fund should deliver it as a personal information form on SEDAR, in the same way that a new personal information form would be delivered.”
3. This change becomes effective on May 14, 2013.

5.1.6 Amendments to NI 52-107 Acceptable Accounting Principles and Auditing Standards and Companion Policy 52-107CP

**AMENDMENTS TO NATIONAL INSTRUMENT 52-107  
ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS**

1. **National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards is amended by this Instrument.**
2. **Section 1.1 is amended by adding the following definitions after “multiple convertible security”:**

“predecessor statements” mean the financial statements referred to in paragraph 32.1(1)(a) of Form 41-101F1 *Information Required in a Prospectus*;

“primary business statements” mean the financial statements referred to in paragraph 32.1(1)(b) of Form 41-101F1 *Information Required in a Prospectus*.”
3. **Paragraph 2.1(2)(d) is amended by adding “acquisition statements, predecessor statements, or primary business statements, that are an” after “any”.**
4. **Subsection 3.11(5) is amended by replacing “subsections (1), (2) and (4)” with “subsections (1) and (2)”.**
5. **Subparagraph 3.11(5)(a)(i) is amended by replacing “gross revenue” with “gross sales”.**
6. **Subparagraph 3.11(5)(a)(ii) is amended by replacing “royalty expenses” with “royalties”.**
7. **Section 3.11 is amended by repealing subsection 3.11(6).**
8. **Paragraph 3.12(2)(e) is amended by replacing “subsection 3.11(5) or (6)” with “subsection 3.11(5)”.**
9. **Part 3 is amended by adding the following at the end:**

**“3.17 Acceptable Accounting Principles for Predecessor Statements or Primary Business Statements that are an Operating Statement** – If predecessor statements or primary business statements are an operating statement for an oil and gas property,

  - (a) the operating statement must include at least the following line items:
    - (i) gross sales;
    - (ii) royalties;
    - (iii) production costs;
    - (iv) operating income;
  - (b) the line items in the operating statement must be prepared using accounting policies that
    - (i) are permitted by one of:
      - (A) Canadian GAAP applicable to publicly accountable enterprises;
      - (B) U.S. GAAP if the issuer is an SEC issuer or an SEC foreign issuer;
      - (C) IFRS if the issuer is a foreign issuer, and
    - (ii) would apply to those line items if those line items were presented as part of a complete set of financial statements, and

(c) the operating statement must

(i) include the following statement:

This operating statement is prepared in accordance with the financial reporting framework specified in section 3.17 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for an operating statement.

and

(ii) describe the accounting policies used to prepare the operating statement.

**3.18 Acceptable Auditing Standards for Predecessor Statements or Primary Business Statements that are an Operating Statement –**

(1) If predecessor statements or primary business statements are an operating statement for an oil and gas property that are required by securities legislation to be audited, the operating statement must be accompanied by an auditor's report and audited in accordance with one of the following auditing standards:

(a) Canadian GAAS;

(b) U.S. PCAOB GAAS if the issuer is an SEC issuer or an SEC foreign issuer;

(c) International Standards on Auditing if the issuer is a foreign issuer.

(2) The auditor's report must,

(a) if paragraph 1(a) or (c) applies, express an unmodified opinion,

(b) if paragraph 1(b) applies, express an unqualified opinion,

(c) identify all financial periods presented for which the auditor's report applies,

(d) identify the auditing standards used to conduct the audit, and

(e) identify the financial reporting framework used to prepare the operating statement.”.

**10.** This Instrument comes into force on May 14, 2013.

**CHANGES TO COMPANION POLICY 52-107CP  
ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS**

1. **The changes to Companion Policy 52-107CP Acceptable Accounting Principles and Auditing Standards are set out in this schedule.**

2. **Section 2.14 is changed by deleting the following:**

“If acquisition statements are carve-out statements prepared in accordance with Canadian GAAP for private enterprises, as discussed in section 2.18 of this Companion Policy, subparagraph 3.11(6)(d)(iii) requires reconciliation information for non-venture issuers similar to that required by subparagraph 3.11(1)(f)(iv). The above guidance on subparagraph 3.11(1)(f)(iv) also applies to subparagraph 3.11(6)(d)(iii).”

3. **Section 2.17 is changed by**

(a) **adding** “, predecessor statements, or primary business statements” **after** “Acquisition statements”,

(b) **replacing** “Subsection” **with** “In the case of acquisition statements that are an operating statement, subsection”,

(c) **replacing** “an operating statement to be prepared” **with** “the operating statement to be prepared”,

(d) **before** “For the purpose of preparing”, **adding the following:**

“In the case of predecessor statements or primary business statements that are an operating statement, section 3.17 requires the line items in the operating statement to be prepared in accordance with accounting policies that comply with the accounting policies permitted by one of: Canadian GAAP applicable to publicly accountable enterprises, U.S. GAAP if the issuer is an SEC issuer or SEC foreign issuer, or IFRS if the issuer is a foreign issuer.”, **and**

(e) **by replacing** “For the purpose of preparing the operating statement” **with** “For the purpose of preparing an operating statement”.

4. **Section 2.18 is changed by**

(a) **adding** “, predecessor statements, or primary business statements” **after** “Acquisition statements”,

(b) **replacing** “Subsection 3.11(6) specifies the financial reporting framework required for acquisition statements that are” **with** “Acquisition statements, predecessor statements or primary business statements may be”,

(c) **after** “acquired business”, **replacing** “or” **with** “,”,

(d) **after** “business to be acquired,”, **replacing** “and” **with** “the predecessor entity or primary business. In some cases,”,

(e) **adding** “, which” **after** “Such financial statements”, **and**

(f) **replacing the following:**

““carve-out” financial statements. Subsection 3.11(6) requires carve-out financial statements to be prepared in accordance with one of Canadian GAAP applicable to publicly accountable enterprises, IFRS, U.S. GAAP, or Canadian GAAP applicable to private enterprises, and in each case include specified line items. For carve-out financial statements prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises or IFRS, the exceptions and exemptions included as Appendices in IFRS 1 would be relevant for determining the opening statement of financial position at the date of transition to IFRS.”,

**with the following:**

“carve-out financial statements, should generally include:

(a) all assets and liabilities directly attributable to the business;

(b) all revenue and expenses directly attributable to the business;

- (c) if there are expenses for the business that are common expenses shared with the other entity, a portion of those expenses allocated on a reasonable basis to the business;
- (d) income and capital taxes calculated as if the business had been a separate legal entity and had filed a separate tax return for the period presented; and
- (e) a description of the method of allocation for each significant line item presented in financial statements.”.

**5. Section 3.5 is changed by**

- (a) **deleting** “or carve-out financial statements” **wherever it appears,**
- (b) **replacing** “Paragraph 3.12(2)(e) requires” **with** “Paragraphs 3.12(2)(e) and 3.18(2)(e) require”, **and**
- (c) **replacing** “subsections 3.11(5) and (6)” **with** “subsection 3.11(5) and section 3.17”.

**6.** These changes become effective on May 14, 2013.

5.1.7 Amendments to NI 51-102 Continuous Disclosure Obligations

**AMENDMENTS TO  
NATIONAL INSTRUMENT 51-102 CONTINUOUS DISCLOSURE OBLIGATIONS**

1. **National Instrument 51-102 Continuous Disclosure Obligations is amended by this Instrument.**
2. **Section 1.1 is amended in the definition of “executive officer”, by adding the following paragraph “(a.1) a chief executive officer or chief financial officer;” after “(a) a chair, vice-chair or president;”.**
3. **Paragraph 8.10(1)(b) is amended by adding the following after “that is not of securities of another issuer”:**

“, unless the vendor transferred the business referenced in paragraph (1)(a) to the other issuer and that other issuer

  - (i) was created for the sole purpose of facilitating the acquisition; and
  - (ii) other than assets or operations relating to the transferred business, has no
    - (A) substantial assets; or
    - (B) operating history”
4. **Paragraph 8.10(4)(a) is amended by**
  - (a) **replacing “gross revenue” with “gross sales”, and**
  - (b) **replacing “royalty expenses” with “royalties”.**
5. This Instrument comes into force on May 14, 2013.

5.1.8 Amendments to NI 13-101 System for Electronic Document Analysis and Retrieval (SEDAR)

**AMENDMENTS TO NATIONAL INSTRUMENT 13-101  
SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR)**

1. ***National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR) is amended by this Instrument.***
2. ***Division A of Part II of Appendix A is amended by***
  - (a) ***in section (a) “General Filings”,***
    - (i) ***repealing items 1, 2 and 3,***
    - (ii) ***deleting “– POP System” wherever it appears,***
    - (iii) ***repealing item 6,***
    - (iv) ***inserting the following items:***
      - 6.1 Base Short Form PREP Prospectus
      - 6.2 Base Long Form PREP Prospectus,
    - (v) ***in items 7 and 8 by replacing “Short Form Prospectus” with “Base Shelf Prospectus”,***
    - (vi) ***deleting “– Shelf” wherever it appears,***
    - (vii) ***in item 9, adding “Shelf” before “Prospectus Supplement”, and***
    - (viii) ***adding the following item after item 16:***
      - 16.1 Supplemented Short Form PREP Prospectus,
  - (b) ***repealing section (b) “British Columbia Filings”,***
  - (c) ***in section (c) “Quebec Filings”, repealing item 2, and***
  - (d) ***repealing section (d) “Alberta Filings”.***
3. This Instrument comes into force on May 14, 2013.



## 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](http://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](http://www.sedi.ca)).



## Chapter 8

# Notice of Exempt Financings

---



---

### REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
12/31/2012	2	ABC Fundamental Value Fund - Units	3,154,195.72	N/A
04/22/2013	5	Alexander Nubia International Inc. - Units	260,000.00	5,200,000.00
04/10/2012 to 04/24/2012	1	Allard Growth Fund 2 - Units	99,887,500.00	9,948,792.47
04/12/2013	37	Arctic Star Exploration Corp. - Units	1,590,559.74	7,229,817.00
04/22/2013	7	Asher Resources Corporation - Units	269,986.00	1,349,930.00
04/22/2013	1	Aurvista Gold Corporation - Common Shares	903,503.00	3,928,273.00
02/21/2012 to 02/28/2012	4	Bison Income Trust II - Trust Units	80,720.00	8,072.00
10/12/2012 to 10/18/2012	2	Bison Income Trust II - Trust Units	225,000.00	22,500.00
07/17/2012	1	Bison Income Trust II - Trust Units	25,000.00	2,500.00
08/31/2012	1	Bison Income Trust II - Trust Units	150,007.95	15,000.80
11/01/2012 to 11/07/2012	7	Bison Income Trust II - Trust Units	620,993.50	62,099.35
02/13/2012 to 12/31/2012	19	BlueBay Emerging Markets Absolute Return Bond Fund - CAD Hedged - Units	7,585,902.80	741,569.00
02/13/2012 to 12/31/2012	51	BlueBay Global Convertible Bond Fund - CAD Hedged - Units	8,852,764.84	889,005.86
02/13/2012 to 12/31/2012	1	BlueBay Global High Yield Bond Fund - CAD Hedged - Units	7,947,076.00	786,947.29
03/25/2013	3	Brigadier Gold Limited - Units	125,000.00	2,500,000.00
04/24/2013	1	Canadian Imperial Bank of Commerce - Notes	4,868,500.00	50,000.00
04/24/2013	1	Canadian Imperial Bank of Commerce - Notes	5,000,000.00	50,000.00
02/13/2012	2	Citigroup Funding Inc. - Notes	645,645.00	650.00
01/01/2012 to 08/01/2012	1	Crestline Offshore Recovery Fund II L.P. - Limited Partnership Interest	26,233,887.00	5.00
11/01/2012 to 12/01/2012	2	Crestline Offshore Fund Ltd. - Common Shares	6,679,015.00	64,255.92
01/01/2012 to 12/31/2012	423	Cypress Canadian Equity Fund - Units	5,685,896.38	407,679.00
01/01/2012 to 12/31/2012	681	Cypress High Yield Fund - Units	31,554,090.31	N/A

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/01/2012 to 12/31/2012	167	Cypress Oil & Gas Fund - Units	1,441,490.00	40,494.68
01/01/2012 to 12/31/2012	91	Cypress Resource Fund - Units	2,253,891.00	N/A
01/01/2012 to 12/31/2012	690	Cypress Small Cap Growth Fund - Units	10,224,481.60	438,502.22
01/01/2012 to 12/31/2012	1355	Cypress US Equity Fund - Units	48,196,161.77	4,743,896.53
04/12/2013	9	Equinox Copper Corp. - Units	302,357.60	2,015,717.00
04/19/2013	1	Gemoscan Canada, Inc. - Common Shares	15,000.00	157,894.00
01/30/2012 to 01/07/2013	15	Instream Energy Systems Corp. - Common Shares	822,186.00	2,055,463.00
02/01/2007 to 12/01/2012	2	JLP Credit Opportunity Cayman Fund Ltd. - Common Shares	1,542,500.00	1,525.00
04/15/2013	15	Karma Athletics Ltd. - Units	338,750.00	3,387,500.00
01/01/2012 to 12/31/2012	160	KFA Balanced Pooled Fund - Units	10,504,432.00	887,874.00
06/27/2012 to 12/31/2012	19	KFA Multi-Manager Global Equity Fund - Units	15,240,231.00	1,505,765.00
03/18/2013 to 03/22/2013	9	League IGW Real Estate Investment Trust (Amended) - Units	343,597.52	343,597.52
01/01/2012 to 12/31/2012	127	Lester Canadian Equity Fund - Units	12,180,200.95	1,040,793.95
01/05/2012 to 12/20/2012	198	Majestic Global Diversified Fund - Limited Partnership Units	6,105,484.99	1,257,815.66
04/19/2013	23	MountainStar Gold Inc. - Units	499,303.85	1,920,390.00
04/16/2013	1	Northern Gold Mining Inc. - Common Shares	0.00	20,000.00
04/16/2013	4	Northern Gold Mining Inc. - Common Shares	0.00	200,000.00
04/19/2013	2	Pounder Venture Capital Corp. - Common Shares	200,000.00	2,000,000.00
04/22/2013	5	Rainbow Resources Inc. - Flow-Through Units	212,079.96	1,767,333.00
04/22/2013	12	Rainbow Resources Inc. - Units	132,500.00	11,325,000.00
03/27/2013	61	Ram Power, Corp. - Units	33,490,000.00	33,490.00
01/01/2012 to 12/31/2012	7	RBC Hedge Fund Portfolio CAD Hedged (formerly, RBC \$C ARC Fund) - Units	1,075,000.00	9,422.88
01/01/2012 to 12/31/2012	11	RBC Hedge Fund Portfolio USD (formerly, RBC \$U.S. ARC Fund) - Units	13,748,397.37	97,767.48
04/18/2013	141	Redknee Solutions Inc. - Special Warrants	45,069,350.00	14,538,500.00
07/01/2008 to 12/01/2012	9	Saguenay Equity Offshore Fund Ltd. - Units	20,046,370.00	192,500.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/01/2012 to 12/01/2012	16	Saguenay Offshore Fund Ltd. - Common Shares	14,949,480.00	149,120.00
01/01/2008 to 03/01/2008	2	Saguenay Offshore Fund Ltd. - Units	17,860,400.00	180,000.00
01/01/2007 to 08/01/2007	10	Saguenay Offshore Fund Ltd. - Units	18,901,455.00	167,930.00
01/01/2005 to 08/01/2005	4	Saguenay Offshore Fund Ltd. - Units	19,120,326.00	156,050.00
10/01/2009 to 11/01/2009	2	Saguenay Offshore Fund Ltd. - Units	1,572,322.00	14,616.00
01/01/2011 to 11/01/2011	26	Saguenay Offshore Fund Ltd. - Units	34,030,420.00	343,860.00
01/01/2010 to 11/01/2010	18	Saguenay Offshore Fund Ltd. - Units	42,496,566.00	409,730.00
07/01/2012	33	SSC Credit Opportunities Fund Ltd. - Units	22,776,885.00	223,500.00
03/25/2013	1	Temex Resources Corp. - Common Shares	65,700.00	365,000.00
04/19/2013	3	Tigray Resources Inc. - Common Shares	2,421,000.00	16,140,000.00
08/23/2012	1	T. Rowe Funds SICAV - Global High Yield Bond Fund Class I - Common Shares	33,854,480.00	1,499,560.25
01/05/2012 to 07/05/2012	1	T. Rowe Price Funds SICAV - Global Equity Fund Class I - Common Shares	944,919.88	95,673.36
06/11/2012 to 10/04/2012	1	T. Rowe Price Funds SICAV - Global Large Cap Equity Fund Class I - Common Shares	37,748,357.08	1,886,712.09
01/01/2012 to 12/31/2012	1	UBS (Canada) 91 Day Fund - Units	176,356,269.51	N/A
01/01/2012 to 12/31/2012	111	UBS (Canada) American Equity Fund - Units	19,395,833.23	N/A
01/01/2012 to 12/31/2012	52	UBS (Canada) Balanced Fund - Units	17,801,000.70	N/A
01/01/2012 to 12/31/2012	76	UBS (Canada) Bond Fund - Units	182,637,000.89	N/A
01/01/2012 to 12/31/2012	3	UBS (Canada) Canada Plus Equity Fund - Units	12,742,401.50	N/A
01/01/2012 to 12/31/2012	224	UBS (Canada) Canadian Equity Fund - Units	75,831,532.64	N/A
01/01/2012 to 12/31/2012	59	UBS (Canada) Cash in Action Fund - Units	593,103,883.26	N/A
01/01/2012 to 12/31/2012	38	UBS (Canada) Cash Management Fund - Units	228,527,726.45	N/A
01/01/2012 to 12/31/2012	33	UBS (Canada) Credit Fund - Units	161,547,652.62	N/A
01/01/2012 to 12/31/2012	8	UBS (Canada) Global Allocation Fund - Units	14,152,623.79	N/A

**Notice of Exempt Financings**

---

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/01/2012 to 12/31/2012	7	UBS (Canada) Global Equity Fund - Units	182,683,561.31	N/A
01/01/2012 to 12/31/2012	16	UBS (Canada) Global Equity Fund - Units	14,981,595.48	N/A
01/01/2012 to 12/31/2012	9	UBS (Canada) Global Large Cap Equity Fund - Units	8,992,486.68	N/A
01/01/2012 to 12/31/2012	1	UBS (Canada) Global Multi Strategy Alpha Fund - Units	24,092,826.42	239,846.55
01/01/2012 to 12/31/2012	99	UBS (Canada) High Yield Debt Fund - Units	10,556,842.93	N/A
01/01/2012 to 12/31/2012	91	UBS (Canada) International Equity Fund - Units	12,937,469.29	N/A
01/01/2012 to 12/31/2012	7	UBS (Canada) Long Term Bond Fund - Units	17,151,707.48	N/A
01/01/2012 to 12/31/2012	23	UBS (Canada) Short Term Bond Fund - Units	75,774,496.94	N/A
01/01/2012 to 12/31/2012	4	UBS (Canada) Small Cap Fund - Units	9,537,335.26	N/A
01/01/2012 to 12/31/2012	33	UBS (Canada) US Equity Growth Fund - Units	34,418,468.48	N/A
04/19/2013	7	VentriPoint Diagnostics Ltd. - Units	348,700.00	3,487,000.00

## Chapter 11

# IPOs, New Issues and Secondary Financings

---

**Issuer Name:**

Allied Nevada Gold Corp.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated May 2, 2013  
NP 11-202 Receipt dated May 3, 2013

**Offering Price and Description:**

US\$150,500,000.00 -14,000,000 Shares of Common Stock  
Price:US\$10.75 per Share

**Underwriter(s) or Distributor(s):**

DUNDEE SECURITIES LTD.  
CORMARK SECURITIES INC.

**Promoter(s):**

-

**Project #2055240**

---

**Issuer Name:**

BRP Inc.  
Principal Regulator - Quebec

**Type and Date:**

Amended and Restated Preliminary Long Form PREP  
Prospectus dated May 2, 2013  
NP 11-202 Receipt dated May 2, 2013

**Offering Price and Description:**

\$\* - \* Subordinate Voting Shares  
Price: \$ \* per Subordinate Voting Shares

**Underwriter(s) or Distributor(s):**

BMO NESBITTBURNS INC.  
RBC DOMINION SECURITIES INC.  
UBS SECURITIES CANADA INC.  
CITIGROUP GLOBAL MARKETS CANADA INC.  
CIBC WORLD MARKETS INC.  
DESJARDINS SECURITIES INC.  
SCOTIA CAPITAL INC.  
NATIONAL BANK FINANCIAL INC.

**Promoter(s):**

-

**Project #2045674**

---

**Issuer Name:**

Canadian General Investments, Limited  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated May 1, 2013  
NP 11-202 Receipt dated May 1, 2013

**Offering Price and Description:**

\$75,000,000.00 - 3,000,000 3.75% Cumulative  
Redeemable Class A Preferred Shares, Series 4  
Price: \$25.00 per Share

**Underwriter(s) or Distributor(s):**

Scotia Capital Inc.  
BMO Nesbitt Burns Inc.  
Desjardins Securities Inc.  
TD Securities Inc.

**Promoter(s):**

-

**Project #2054407**

---

**Issuer Name:**

Cogeco Cable Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Base Shelf Prospectus dated May 6, 2013  
NP 11-202 Receipt dated May 6, 2013

**Offering Price and Description:**

\$1,500,000,000.00 Debt Securities

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2056040**

---

**Issuer Name:**

Ford Floorplan Auto Securitization Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated April 30, 2013  
NP 11-202 Receipt dated April 30, 2013

**Offering Price and Description:**

Up to \$1,200,000,000 of Asset-Backed Notes

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Ford Credit Canada Limited  
**Project #2052699**

**Issuer Name:**

Hollis Receivables Term Trust II  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated May 6, 2013  
NP 11-202 Receipt dated May 6, 2013

**Offering Price and Description:**

Up to \$7,000,000,000.00 Line of Credit Receivables-  
Backed Notes

**Underwriter(s) or Distributor(s):**

Scotia Capital Inc.

**Promoter(s):**

The Bank of Nova Scotia

**Project #2055904**

---

**Issuer Name:**

Lawrence Park Strategic Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated May 3, 2013  
NP 11-202 Receipt dated May 3, 2013

**Offering Price and Description:**

Class A, E, F, I and O units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

CI Investments Inc.

**Project #2055617**

---

**Issuer Name:**

Limited Duration Investment Grade Preferred Securities  
Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated April 29, 2013  
NP 11-202 Receipt dated April 30, 2013

**Offering Price and Description:**

Maximum: \$ \* - \* Class A and Class F Unit

Price: \$25.00 per Unit

Minimum Purchase: \* Class A Units

**Underwriter(s) or Distributor(s):**

TD Securities Inc.

CIBC World Markets Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

Canaccord Genuity Corp.

GMP Securities L.P.

National Bank Financial Inc.

Scotia Capital Inc.

Macquarie Private Wealth Inc.

Raymond James Ltd.

Desjardins Securities Inc.

Dundee Securities Ltd.

Mackie Research Capital Corporation

Manulife Securities Incorporated

Rothenberg Capital Management Inc.

**Promoter(s):**

Purpose Investments Inc.

**Project #2051350**

---

**Issuer Name:**

Purpose Core Dividend Fund  
Purpose Diversified Inflation Fund  
Purpose Market-Hedged Equity Fund  
Purpose Monthly Income Fund  
Purpose Total Return Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated May 1, 2013  
NP 11-202 Receipt dated May 3, 2013

**Offering Price and Description:**

ETF Shares, Series A, Series F and Series I Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Purpose Investments Inc.

**Project #2055508**

---

**Issuer Name:**

Purpose Core Dividend Fund  
Purpose Market-Hedged Equity Fund  
Purpose Monthly Income Fund  
Purpose Total Return Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated May 1, 2013  
NP 11-202 Receipt dated May 3, 2013

**Offering Price and Description:**

Series A, Series F and Series I Mutual Fund Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Purpose Investments Inc.

**Project #2055196**

---



**Issuer Name:**

Retrocom Mid-Market Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated May 6, 2013  
NP 11-202 Receipt dated May 6, 2013

**Offering Price and Description:**

\$50,032,500.00 - 9,530,000 Subscription Receipts each  
representing the right to receive one Trust Unit

Price: \$5.25 Per Subscription Receipt

- and -

\$25,000,000 - 5.50% Extendible Convertible Unsecured  
Subordinated Debentures

Price: \$1,000 per Debenture

**Underwriter(s) or Distributor(s):**

TD SECURITIES INC.

CIBC WORLD MARKETS INC.

RBC DOMINION SECURITIES INC.

BMO NESBITT BURNS INC.

SCOTIA CAPITAL INC.

MACQUARIE CAPITAL MARKETS CANADA LTD.

DESJARDINS SECURITIES INC.

RAYMOND JAMES LTD.

CANACCORD GENUITY CORP.

DUNDEE SECURITIES LTD.

LAURENTIAN BANK SECURITIES INC.

M PARTNERS INC.

**Promoter(s):**

-

**Project #2056043**

---

**Issuer Name:**

SCITI Trust

Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 30, 2013

NP 11-202 Receipt dated April 30, 2013

**Offering Price and Description:**

Maximum \$100,000,000 - \* Units

Price: \$\* per Unit

**Underwriter(s) or Distributor(s):**

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

TD Securities Inc.

Canaccord Genuity Corp.

Desjardins Securities Inc.

GMP Securities L.P.

Macquarie Private Wealth Inc.

Raymond James Ltd.

**Promoter(s):**

-

**Project #2052375**

---

**Issuer Name:**

SHAW COMMUNICATIONS INC.

Principal Regulator - Alberta

**Type and Date:**

Preliminary Base Shelf Prospectus dated April 30, 2013

NP 11-202 Receipt dated April 30, 2013

**Offering Price and Description:**

\$4 Billion

Debt Securities

Class B Non-Voting Participating Shares

Class 1 Preferred Shares

Class 2 Preferred Shares

Warrants

Share Purchase Contracts

Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2053303**

---

**Issuer Name:**

Sophiris Bio Inc.

Principal Regulator - British Columbia

**Type and Date:**

Amended and Restated Preliminary Short Form Prospectus

dated May 1, 2013

NP 11-202 Receipt dated May 1, 2013

**Offering Price and Description:**

US\$65,000,000 - \* Common Shares

Price: US\$ \* per Common Share

**Underwriter(s) or Distributor(s):**

CITIGROUP GLOBAL MARKETS CANADA INC.

STIFEL NICOLAUS CANADA INC.

**Promoter(s):**

-

**Project #2016044**

---

**Issuer Name:**

Thomson Reuters Corporation

Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated May 2, 2013

NP 11-202 Receipt dated May 3, 2013

**Offering Price and Description:**

US\$3,000,000,000.00

Debt Securities

(unsecured)

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2055195**

---

**Issuer Name:**

Whitecap Resources Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated May 2, 2013  
NP 11-202 Receipt dated May 2, 2013

**Offering Price and Description:**

\$90,006,300.00 - 9,279,000 Common Shares  
Price \$9.70 per Common Share

**Underwriter(s) or Distributor(s):**

GMP Securities L.P.  
National Bank Financial Inc.  
Dundee Securities Ltd.  
FirstEnergy Capital Corp.  
Macquarie Capital Markets Canada Ltd.  
TD Securities Inc.  
Raymond James Ltd.  
Scotia Capital Inc.  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
Peters & Co. Limited

**Promoter(s):**

-

**Project #**2055264

---

**Issuer Name:**

Aston Hill Money Market Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment No. 2 dated April 23, 2013 (amendment no. 2) to the Amended and Restated Simplified Prospectus and Annual Information Form dated September 28, 2012, amending and restating the Simplified Prospectus and Annual Information Form dated August 17, 2012.  
NP 11-202 Receipt dated May 1, 2013

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Aston Hill Asset Management Inc.

**Promoter(s):**

Aston Hill Asset Management Inc.

**Project #**1931632

---

**Issuer Name:**

Canadian Metals Inc.  
Principal Regulator - Quebec

**Type and Date:**

Final Long Form Prospectus dated April 30, 2013  
NP 11-202 Receipt dated May 2, 2013

**Offering Price and Description:**

Minimum Offering: \$700,000.00 - 4,666,667 Units  
Maximum Offering: \$1,600,000.00 - 10,666,667 Units  
Issue Price: \$0.15 per Unit  
Minimum Subscription: 1,000 Units

**Underwriter(s) or Distributor(s):**

Industrial Alliance Securities Inc.

**Promoter(s):**

Stephane LeBlanc

**Project #**2020116

---

**Issuer Name:**

CC&L Equity Income and Growth Fund  
CC&L High Yield Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated April 30, 2013  
NP 11-202 Receipt dated May 1, 2013

**Offering Price and Description:**

Series A, Series F and Series I Units)

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Connor, Clark & Lunn Funds Inc.

**Project #**2030552

---

**Issuer Name:**

Dynamic U.S. Dividend Advantage Fund  
(formerly Dynamic U.S. Dividend Advantage Class)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated May 3, 2013  
NP 11-202 Receipt dated May 3, 2013

**Offering Price and Description:**

Series A, E, F, FH, FI, H, I, T Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

GCIC Ltd.

**Promoter(s):**

GCIC Ltd.

**Project #**2035860

---

**Issuer Name:**

Emera Incorporated  
Principal Regulator - Nova Scotia

**Type and Date:**

Final Base Shelf Prospectus dated May 2, 2013  
NP 11-202 Receipt dated May 2, 2013

**Offering Price and Description:**

\$750,000,000.00:  
Debt Securities (unsecured)  
First Preferred Shares  
Second Preferred Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #**2048038

---

**Issuer Name:**

Exemplar Canadian Focus Portfolio  
Exemplar Diversified Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated April 29, 2013  
NP 11-202 Receipt dated April 30, 2013

**Offering Price and Description:**

Series A Shares, Series F Shares, Series L Shares and  
Series I Shares @ Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

BLUMONT CAPITAL CORPORATION  
Project #2031967

---

**Issuer Name:**

First Trust AlphaDEX Canadian Dividend Plus ETF  
First Trust AlphaDEX U.S. Dividend Plus ETF (CAD-  
Hedged)  
First Trust AlphaDEX Emerging Market Dividend ETF  
(CAD-Hedged)  
First Trust AlphaDEX Global Energy Income Plus ETF  
(CAD-Hedged)  
First Trust Senior Loan ETF (CAD-Hedged)  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated May 1, 2013  
NP 11-202 Receipt dated May 3, 2013

**Offering Price and Description:**

Mutual fund units @ net asset value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

FT PORTFOLIOS CANADA CO.,  
Project #2028038

---

**Issuer Name:**

Horizons Morningstar Hedge Fund Index ETF  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated April 23, 2013  
NP 11-202 Receipt dated April 30, 2013

**Offering Price and Description:**

Class E Units and Advisor Class Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

ALPHAPRO MANAGEMENT INC.  
Project #2027362

---

**Issuer Name:**

Jov Canadian Equity Class  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated April 30, 2013  
NP 11-202 Receipt dated May 6, 2013

**Offering Price and Description:**

Series A Shares @ Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

JovFinancial Solutions Inc.  
Project #2042742

---

**Issuer Name:**

Mackenzie Floating Rate Income Fund  
Mackenzie Strategic Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated April 30, 2013  
NP 11-202 Receipt dated May 1, 2013

**Offering Price and Description:**

Series A, F, F6, O, O6, SC, S6 and T6 securities

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

MACKENZIE FINANCIAL CORPORATION  
Project #2034066

---

**Issuer Name:**

Master Credit Card Trust II  
Principal Regulator - Ontario

**Type and Date:**

Final Base Shelf Prospectus dated April 30, 2013  
NP 11-202 Receipt dated May 2, 2013

**Offering Price and Description:**

Up to \$4,000,000,000 Credit Card Receivables-Backed  
Notes

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
CIBCWORLD MARKETS INC  
DESJARDINS SECURITIES INC.  
HSBCSECURITIES CANADA  
LAURENTIAN BANK SECURITIES INC.  
MERRILL LYNCH CANADA INC.  
NATIONAL BANK FINANCIAL INC  
RBC DOMINION SECURITIES INC.  
SCOTIA CAPITAL INC  
TD SECURITIES INC.

**Promoter(s):**

Bank of Montreal  
Project #2044317

---

**Issuer Name:**

Moneda LatAm Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated April 29, 2013  
NP 11-202 Receipt dated April 30, 2013

**Offering Price and Description:**

Maximum: \$100,000,000 - 10,000,000 Class A Units and/or  
Class F Units @ \$10.00/Unit  
\$20,000,000 - 2,000,000 Class A Units @ \$10.00/Unit

**Underwriter(s) or Distributor(s):**

Scotia Capital Inc.  
CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
TD Securities Inc.  
Canaccord Genuity Corp.  
GMP Securities L.P.  
Macquarie Private Wealth Inc.  
Raymond James Ltd.  
Burgeonvest Bick Securities Limited  
Dundee Securities Ltd.  
Manulife Securities Incorporated

**Promoter(s):**

Scotia Managed Companies Administration Inc.

**Project #2035735**

---

**Issuer Name:**

Nova Scotia Power Incorporated  
Principal Regulator - Nova Scotia

**Type and Date:**

Final Base Shelf Prospectus dated May 2, 2013  
NP 11-202 Receipt dated May 2, 2013

**Offering Price and Description:**

\$500,000,000.00  
Debt Securities (unsecured)

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2048037**

**Issuer Name:**

Pure Multi-Family REIT LP  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated May 1, 2013  
NP 11-202 Receipt dated May 1, 2013

**Offering Price and Description:**

US\$35,000,000.00 - 7,000,000 Units Price: US\$5.00 Per  
Unit

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
Canaccord Genuity Corp.  
CIBC WORLD MARKETS INC.  
DUNDEE SECURITIES LTD.  
SCOTIA CAPITAL INC  
GMP SECURITIES L.P.  
MACQUARIE CAPITALMARKETS CANADA LTD.  
HSBC SECURITIES (CANADA) INC.  
Desjardins Securities Inc.  
Acumen Capital Finance Partners Limited

**Promoter(s):**

Pure Multifamily Management Limited Partnership

**Project #2048848**

---

**Issuer Name:**

Timbercreek U.S. Multi-Residential Opportunity Fund #1  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated April 29, 2013  
NP 11-202 Receipt dated April 30, 2013

**Offering Price and Description:**

Maximum: C\$50,000,000.00 of Class A Units and/or Class  
B Units

**Underwriter(s) or Distributor(s):**

RAYMOND JAMES LTD.  
CIBC WORLD MARKETS INC.  
GMP SECURITIES L.P.  
MANULIFE SECURITIES INCORPORATED  
NATIONAL BANK FINANCIAL INC.  
BMO NESBITT BURNS INC.  
CANACCORD GENUITY CORP.  
SCOTIA CAPITAL INC.  
DUNDEE SECURITIES LTD.  
MACQUARIE CAPITAL MARKETS CANADA LTD.

**Promoter(s):**

TIMBERCREEK ASSET MANAGEMENT INC.

**Project #2041675**

## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Alignvest Capital Management Inc.	Investment Fund Manager and Exempt Market Dealer	April 30, 2013
New Registration	Société en Commandite Fiera Quantum / Fiera Quantum Limited Partnership	Portfolio Manager, Investment Fund Manager, Exempt Market Dealer and Commodity Trading Manager	April 30, 2013
Voluntary Surrender of Registration	Sentry Select Investments Inc.	Portfolio Manager, Investment Fund Manager and Exempt Market Dealer	May 2, 2013
Name Change	From: Genuity Fund Management Inc. To: GenFund Management Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	May 6, 2013
Consent to Suspension (Pending Surrender)	Anvest Financial Services Inc.	Portfolio Manager	May 7, 2013

This page intentionally left blank

## Chapter 13

# SROs, Marketplaces and Clearing Agencies

---

### 13.2 Marketplaces

#### 13.2.1 Notice of Commission Approval – TSX Inc. and Alpha Exchange Inc. – Fees Filed under Section 8(c) of Recognition Order

##### TSX INC. AND ALPHA EXCHANGE INC.

##### FEES FILED UNDER SECTION 8(C) OF RECOGNITION ORDER

##### NOTICE OF APPROVAL

On April 26, 2013, the Commission approved certain existing fees of TSX Inc. (TSX) and Alpha Exchange Inc. (Alpha) pursuant to section 8(c) of Schedule 2 to the Commission's order recognizing Maple Group Acquisition Corporation (Maple), TMX Group Inc., TSX, and Alpha as exchanges (Exchange Recognition Order).

Section 8(b) of the Exchange Recognition Order prohibits TSX or Alpha from providing any discounts, rebates, allowances, price concessions or other similar arrangements that are accessible only to, whether by design or by implication, a class of marketplace participants or any other persons or companies, without prior Commission approval. Section 8(c) of the order required TSX and Alpha to file and obtain Commission approval for any fee schedules, fee models, contracts, agreements or other arrangements of TSX or Alpha that were in place prior to the effective date of the order (July 4, 2012) but which would have required Commission approval under section 8(b) of the order had they been proposed after the order's effective date.

In reviewing the fees filed by TSX and Alpha pursuant to section 8(c) of the Exchange Recognition Order, Staff assessed the fees with reference to the purpose of section 8(b) of the order: to determine whether or not any discount, rebate, allowance, or price concession associated with the fee is so narrowly accessible by certain marketplace participants only that it raises concerns about fair access to the marketplace's services under section 5.1 of National Instrument 21-101 *Marketplace Operation*.<sup>1</sup> As part of this assessment, particular attention was paid to whether the relevant fees are accessible only to those investment dealers with a significant ownership interest in Maple (now TMX Group Limited) or are available to a broader range of participants.

Following the review, the Commission approved the following fees submitted by TSX and Alpha under section 8(c) of the Exchange Recognition Order:

#### TSX

1. Original Listing Fees
2. Additional Listing Fees
3. Annual Sustaining Fees
4. Electronic Liquidity Provider (ELP) Program
5. Post-Open Continuous Market Fees – High Priced Equities – Volume Tier
6. Post-Open Continuous Market Fees – High Priced Equities – Rewards Tier
7. Post-Open Continuous Market Fees – Low Priced Equities – Rewards Tier
8. Market Maker Program
9. Opening Trades (MOO)
10. Tiered CEG Market Data Pricing Schedule
11. Market Data Pilot Program

#### Alpha

1. Market Data Pilot Program

---

<sup>1</sup> Section 5.1(3) of NI 21-101 provides that a marketplace must not:  
(a) permit unreasonable discrimination among clients, issuers and market place participants; or  
(b) impose any burden on competition that is not reasonably necessary and appropriate.

**13.3 Clearing Agencies**

**13.3.1 Material Amendments to CDS Procedures – Trade Confirmation and Matching Compliance as per IIROC Dealer Member Rules 800.49 and 200.1(h) Changes – Request for Comments**

**CDS Clearing and Depository Services Inc. (CDS®)**

**MATERIAL AMENDMENTS TO CDS PROCEDURES**

**TRADE CONFIRMATION AND MATCHING COMPLIANCE AS PER  
IIROC DEALER MEMBER RULES 800.49 AND 200.1(H) CHANGES**

**REQUEST FOR COMMENTS**

**A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS**

**Background**

On November 23, 2012, the Investment Industry Regulatory Organization of Canada (IIROC) received the securities commissions' approval for the revised amendments to IIROC Dealer Member Rule 800.49 (Rule 800.49) on broker-to-broker non-exchange trade matching and IIROC Dealer Member Rule 200.1(h) (Rule 200.1(h)) on trade confirmation exceptions.<sup>1</sup>

Rule 800.49 stipulates:

*For each non-exchange trade, involving a CDS eligible security that is executed by a Dealer Member with another Dealer Member, each Dealer Member must:*

- (i) Enter the trade into an acceptable trade matching utility or*
- (ii) Accept or reject any trade entered into an acceptable trade matching utility by another Dealer Member.*

*at or before 6 p.m. (Toronto time) on the day the trade was executed.*

Rule 200.1(h) stipulates that a Dealer member is not required to send a trade confirmation if certain criteria are met. One of the criteria is that members maintain quarterly compliant trade percentages.

On January 2, 2013, IIROC inquired whether CDS would make changes to its Broker-to-Broker Trade Matching Service (B2B/TM) in support of these regulation changes.

In order to facilitate the implementation of the revised amendments to Rule 800.49 and Rule 200.1(h), IIROC requested the following changes to CDS's B2B/TM:

- I. Change the participant non-compliance reporting from the current "report within one-hour of trade execution" rule to a new "report at or before 6 p.m. (Toronto time) on the day the trade was executed" rule;
- II. Take over the task from IIROC of producing and distributing the quarterly street summary report and the quarterly individual participant CUID summary reports;
- III. Produce and distribute monthly individual participant CUID summary; and
- IV. Continue providing IIROC a daily file that contains daily compliance statistics for each IIROC dealer member.

On March 28, 2013, CDS's Strategic Development Review Committee (SDRC) approved the necessary funding for CDS to proceed with this development. In addition, the SDRC agreed that they would support a monthly subscription fee specific to this service.

This implementation will be effective August 12, 2013.

---

<sup>1</sup> Refer to the Rules Notice 10-0097 dated April 9, 2010 and the Notice of Commission Approval: IIROC Dealer Member Rules posted on December 6, 2012 on the Ontario Securities Commission website.



**B. NATURE AND PURPOSE OF THE PROPOSED CDS PROCEDURE AMENDMENTS**

The proposed amendments reflect changes to IIROC Dealer member rules 800.49 and 200.1(h).

Currently, the Participant Trade Matching Compliance report (RMS 58) is produced daily and is available to IIROC dealer members to help them monitor their activities against IIROC's 800.49 regulation. This daily report provides trade reporting compliance data with respect to a "within one-hour" of trade execution rule. The details of this rule are described in Chapter 6, section 6.8 of the Trade and Settlement Procedures Guide.

IIROC also receives a daily file from CDS that contains the same data that is reported by CDS to its members in the Trade Matching Compliance report. IIROC accumulates this data and provides its members monthly individual participant CUID summary reports and a monthly street summary report.

The current Trade Matching Compliance report will be replaced with a new report that measures compliance based on the new "report at or before 6:00 p.m." rule. Reporting will be delivered via a web service instead of an RMS report. A daily file containing compliance data will continue to be provided to IIROC. In addition, CDS will provide IIROC dealer members monthly trade compliance summary statistics and quarterly trade compliance summary data. The information will be reported against industry data.

**C. IMPACT OF THE PROPOSED CDS PROCEDURE AMENDMENTS**

The impact of the proposed amendments is limited to CDS participants that are IIROC dealer members and are eligible for broker-to-broker trade matching in CDSX.

**C.1 Competition**

The proposed CDS procedure amendments are not expected to impact competition. The purpose of these amendments is to assist IIROC dealer members monitor their B2B/TM activities against Rule 800.49 and Rule 200.1(h).

**C.2 Risks and Compliance Costs**

These amendments address compliance reporting requirements solely. They do not introduce or impose any new functionality or limitations on participation in the B2B/TM service in CDSX or on CDS's Risk Model. Cost is limited to a daily subscription fee that CDS intends to table with the CDS's Fee Committee prior to implementation.

**C.3 Comparison to International Standards – (a) Committee on Payment and Settlement Systems of the Bank for International Settlements, (b) Technical Committee of the International Organization of Securities Commissions, and (c) the Group of Thirty**

The CPSS/IOSCO report *Principles for Financial Market Infrastructures* states in Principle 24 (Disclosure of market data by trade repositories) 'a trade repository should provide timely and accurate data to relevant authorities and the public in line with their respective needs.'

Implementing the changes related to this initiative supports this principle by providing IIROC and its members data required to meet the regulations outlined in Rule 800.49 and Rule 200.1(h).

**D. DESCRIPTION OF THE PROCEDURE DRAFTING PROCESS**

**D.1 Development Context**

On November 23, 2012, IIROC received the securities commissions' approval for amendments to Rule 800.49 and Rule 200.1(h). IIROC requested that CDS consider changes to its current B2B/TM compliance reporting process in CDSX to address these amendments. These changes included producing monthly and quarterly reports that IIROC produces today. In March the Debt and Equity subcommittee of the SDRC agreed that CDS pursue these changes. Development was approved by the SDRC on March 28, 2013.

**D.2 Procedure Drafting Process**

The CDS procedure amendments are drafted by CDS's Product Management group, and subsequently reviewed and approved by CDS's Strategic Development Review Committee (SDRC). The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SDRC's

membership includes representatives from a cross-section of the CDS participant community and it meets on a monthly basis.

These amendments were reviewed and approved by the SDRC on April 25, 2013.

### **D.3 Issues Considered**

The consensus among IIROC dealer members was that CDS continue to provide its CDSX participants with compliance reporting services. They also agreed to fund monthly and quarterly reports that are currently prepared and distributed by IIROC. Specifically, the members agreed to replace the current compliance report with a new one reflecting the new IIROC regulations. Finally, the SDRC agreed that it would support a fee for this service.

### **D.4 Consultation**

The scope of the development effort requested by the IIROC was reviewed with IIROC and the SDRC. The Debt and Equity subcommittee of the SDRC agreed to pursue this effort and development was approved by the SDRC.

CDS's Relationship Managers and Customer Service department provide continuous communication and status updates of all proposed changes to their clients, as well as soliciting input on those changes.

CDS facilitates consultation through a variety of means, including regularly scheduled SDRC subcommittee meetings, which provide a forum for detailed requirement review, and monthly meetings with service bureaus to discuss development impacts to them. All development initiatives are also presented to the Investment Industry Regulatory Organization of Canada's (IIROC) Financial Administrators Section (FAS) working group.

### **D.5 Alternatives Considered**

Three options were discussed with IIROC and the Debt and Equity subcommittee members. The first was to only replace the current trade matching compliance report (RMS58) and continue providing IIROC with daily trade details. The second was to also consider monthly reporting and to take over quarterly (street summary) reporting from IIROC. The final option was to simply discontinue B2B/TM reporting.

The consensus among SDRC members and IIROC dealer members was that CDS provide for its CDSX participants' daily, monthly and quarterly compliance reporting needs.

### **D.6 Implementation Plan**

The proposed procedure amendments and the scheduled date of implementation have been communicated regularly to CDS participants through the SDRC and its subcommittees, as well as through Relationship Management client meetings. The Relationship Managers and the Customer Service department will provide their clients with details of the upcoming changes, and provide customer-related training during the month of July 2013. CDS will distribute a bulletin to all CDS participants the week before implementation reminding them of the upcoming changes and confirming the effective date of those changes.

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to section 21.2 of the Ontario *Securities Act*, and by the British Columbia Securities Commission pursuant to section 24(d) of the British Columbia *Securities Act*, and as a clearing house by the *Autorité des marchés financiers* pursuant to Section 169 of the Quebec *Securities Act*. In addition CDS is deemed to be the clearing house for CDSX<sup>®</sup>, a clearing and settlement system designated by the Bank of Canada pursuant to section 4 of the *Payment Clearing and Settlement Act*. The Ontario Securities Commission, the British Columbia Securities Commission, the *Autorité des marchés financiers* and the Bank of Canada will hereafter be collectively referred to as the "Recognizing Regulators".

The amendments to Participant Procedures may become effective upon approval of the amendments by the Recognizing Regulators following public notice and comment. Implementation of this initiative is planned for August 12, 2013.

## E. TECHNOLOGICAL SYSTEM CHANGES

### E.1 CDS

CDSX will be impacted by these changes in the following way:

- a) Discontinue the Trade Matching Compliance Report (RMS 58)
- b) Implement a new CDS web service, TRAX™ - Trade confirmation statistics, which will provide the compliance statistics for participants
- c) Change the trade matching compliance algorithm to:
  - i. Measure compliance against the new 'report at or before 6:00pm' rule
  - ii. Include trades between IIROC dealer members only
  - iii. Exclude trades between CUIDs of the same dealer member (for example, trades between AAAA and AAAB)
- d) Develop a file to provide IIROC with the daily statistics

### E.2 CDS Participants

Participants will retrieve their broker-to-broker trade matching confirmation statistics from a new web service instead of an RMS report.

### E.3 Other Market Participants

There were no technological system changes identified for other market participants as a consequence of this initiative.

## F. COMPARISON TO OTHER CLEARING AGENCIES

The proposed amendments are specific to CDSX participants who use the CDSX Broker-to-Broker Trade matching utility. The amendments are consistent with regulation changes to be imposed by IIROC on its members. CDS is not aware of any similar compliance reporting support that may be provided by any other clearing agency to its members in response to similar regulation outside of Canada.

## G. PUBLIC INTEREST ASSESSMENT

CDS has determined that the proposed amendments are not contrary to the public interest.

## H. COMMENTS

Comments on the proposed amendments should be in writing and submitted within 30 calendar days following the date of publication of this notice in the Ontario Securities Commission Bulletin, the British Columbia Securities Commission Bulletin or the Autorité des marchés financiers Bulletin to:

Toni Manesis  
Senior Business Analyst, Product Management  
CDS Clearing and Depository Services Inc.  
85 Richmond Street West  
Toronto, Ontario M5H 2C9

Telephone: 416-365-3859  
Email: amanesis@cds.ca

Copies should also be provided to the Autorité des marchés financiers, the British Columbia Securities Commission and the Ontario Securities Commission by forwarding a copy to each of the following individuals:

M<sup>e</sup> Anne-Marie Beaudoin  
Secrétaire générale  
Autorité des marchés financiers  
800, square Victoria, 22<sup>e</sup> étage  
C.P. 246, tour de la Bourse  
Montréal (Québec) H4Z 1G3

Télécopieur: (514) 864-6381

Courrier électronique: [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

Doug MacKay  
Manager, Market and SRO Oversight  
British Columbia Securities Commission  
701 West Georgia Street  
P.O. Box 10142, Pacific Centre  
Vancouver, B.C. V7Y 1L2

Fax: 604-899-6506

Email: [dmackay@bcsc.bc.ca](mailto:dmackay@bcsc.bc.ca)

Manager, Market Regulation  
Market Regulation Branch  
Ontario Securities Commission  
22nd Floor  
20 Queen Street West  
Toronto, Ontario, M5H 3S8

Fax: 416-595-8940

Email: [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)

Mark Wang  
Manager, Legal Services  
British Columbia Securities Commission  
701 West Georgia Street  
P.O. Box 10142, Pacific Centre  
Vancouver, B.C., V7Y 1L2

Fax: 604-899-6506

Email: [mwang@bcsc.bc.ca](mailto:mwang@bcsc.bc.ca)

CDS will make available to the public, upon request, all comments received during the comment period.

#### I. PROPOSED CDS PROCEDURE AMENDMENTS

Access the proposed amendments to the CDS Procedures on the User documentation revisions web page (<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open>).

# Index

---

<b>360 Vox Corporation</b>		
Decision .....	4777	
<b>Acadian Energy Inc.</b>		
Cease Trading Order .....	4815	
<b>Adams, Herbert</b>		
Notice from the Office of the Secretary .....	4754	
Order – Rules 1.6(2) and 11.5 of the OSC Rules of Procedure .....	4793	
<b>Alignvest Capital Management Inc.</b>		
New Registration.....	5023	
<b>Anvest Financial Services Inc.</b>		
Consent to Suspension (Pending Surrender).....	5023	
<b>Aston Hill Asset Management Inc.</b>		
Decision .....	4767	
<b>Aston Hill Global Resource &amp; Infrastructure Fund</b>		
Decision .....	4767	
<b>Baum, Michael</b>		
Notice of Correction .....	4746	
<b>Bishop, Steve</b>		
Notice from the Office of the Secretary .....	4754	
Order – Rules 1.6(2) and 11.5 of the OSC Rules of Procedure .....	4793	
<b>Brekelmans, Jenifer</b>		
Notice from the Office of the Secretary .....	4754	
Order.....	4792	
<b>Bunting &amp; Waddington Inc.</b>		
Notice from the Office of the Secretary .....	4754	
Order.....	4792	
<b>CBK Enterprises Inc.</b>		
Notice from the Office of the Secretary .....	4754	
Order – Rules 1.6(2) and 11.5 of the OSC Rules of Procedure .....	4793	
<b>CDS Procedures – Trade Confirmation and Matching Compliance as per IIROC Dealer Member Rules 800.49 and 200.1(h) Changes – Request for Comments</b>		
Clearing Agencies.....	5026	
<b>Chaddock, Douglas William</b>		
Notice of Correction .....	4746	
<b>Cleanfield Alternative Energy Inc.</b>		
Cease Trading Order .....	4815	
<b>Companion Policy 41-101CP General Prospectus Requirements</b>		
Notice .....	4747	
Rules and Policies .....	4884	
<b>Companion Policy 44-101CP Short Form Prospectus Distributions</b>		
Notice .....	4747	
Rules and Policies .....	4917	
<b>Companion Policy 44-102CP Shelf Distributions</b>		
Notice .....	4747	
Rules and Policies .....	4927	
<b>Companion Policy 52-107CP Acceptable Accounting Principles and Auditing Standards</b>		
Notice .....	4747	
Rules and Policies .....	4935	
<b>Companion Policy 81-101CP Mutual Fund Prospectus Disclosure</b>		
Notice .....	4747	
Rules and Policies .....	4929	
<b>CSA Consultation Paper 33-403 – The Standard of Conduct for Advisers and Dealers: Exploring the Appropriateness of Introducing a Statutory Best Interest Duty When Advice is Provided to Retail Clients</b>		
News Release: Roundtables .....	4752	
<b>dynaCERT Inc.</b>		
Cease Trading Order.....	4815	
<b>Eaton Vance Management</b>		
Order – ss. 78(1), 80 of the CFA .....	4800	
<b>Edgehill Partners</b>		
Decision.....	4770	
<b>Energy Syndications Inc.</b>		
Notice of Correction.....	4746	
<b>First Trust AlphaDEX™ Canadian Dividend Plus ETF</b>		
Designation Order – s. 1.1 of OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions .....	4796	
<b>First Trust AlphaDEX™ Emerging Market Dividend ETF (CAD-Hedged)</b>		
Designation Order – s. 1.1 of OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions .....	4796	

---

<b>First Trust AlphaDEX™ Global Energy Income Plus ETF (CAD-Hedged)</b>		<b>Hudson River Minerals</b>	
Designation Order – s. 1.1 of OSC Rule 48-501		Cease Trading Order.....	4815
Trading During Distributions, Formal Bids and			
Share Exchange Transactions .....	4796	<b>Intellectual Capital Group Ltd.</b>	
		Cease Trading Order.....	4815
<b>First Trust AlphaDEX™ U.S. Dividend Plus ETF (CAD-Hedged)</b>		<b>iShares MSCI EAFE IMI Index ETF</b>	
Designation Order – s. 1.1 of OSC Rule 48-501		Designation Order – s. 1.1 of OSC Rule	
Trading During Distributions, Formal Bids and		48-501 Trading During Distributions, Formal	
Share Exchange Transactions .....	4796	Bids and Share Exchange Transactions.....	4795
		<b>iShares MSCI Emerging Markets IMI Index ETF</b>	
<b>First Trust Senior Loan ETF (CAD-Hedged)</b>		Designation Order – s. 1.1 of OSC Rule	
Designation Order – s. 1.1 of OSC Rule 48-501		48-501 Trading During Distributions, Formal	
Trading During Distributions, Formal Bids and		Bids and Share Exchange Transactions.....	4795
Share Exchange Transactions .....	4796	<b>iShares S&amp;P 500 Index ETF</b>	
		Designation Order – s. 1.1 of OSC Rule	
<b>Forex Capital Markets, LLC</b>		48-501 Trading During Distributions, Formal	
Order – s. 74(1).....	4747	Bids and Share Exchange Transactions.....	4795
		<b>Ivy Investment Management Company (a subsidiary of Waddell &amp; Reed Financial Inc.)</b>	
<b>Form 41-101F2 Information Required in an Investment Fund Prospectus</b>		Order – ss. 78(1), 80 of the CFA .....	4800
Notice.....	4745	<b>Kricfalusi, Mary</b>	
Rules and Policies .....	4817	Notice from the Office of the Secretary .....	4754
		Order – Rules 1.6(2) and 11.5 of the	
<b>Form 41-101F3 Information Required in a Scholarship Plan Prospectus</b>		OSC Rules of Procedure .....	4793
Notice.....	4745	<b>Loman, Kevin</b>	
Rules and Policies .....	4817	Notice from the Office of the Secretary .....	4754
		Order – Rules 1.6(2) and 11.5 of the	
<b>Franklin Advisers, Inc.</b>		OSC Rules of Procedure .....	4793
Order – s. 80 of the CFA.....	4781	<b>LOREX Technology Inc.</b>	
		Decision.....	4768
<b>Franklin Mutual Advisers, LLC</b>		<b>Mackenzie Financial Corporation</b>	
Order – s. 80 of the CFA.....	4781	Order – ss. 78(1), 80 of the CFA .....	4800
		<b>Mackenzie Investments Pte. Ltd. (a wholly owned subsidiary of Mackenzie Financial Corporation)</b>	
<b>Franklin Templeton Institutional, LLC</b>		Order – ss. 78(1), 80 of the CFA .....	4800
Order – s. 80 of the CFA.....	4781	<b>Magnum Hunter Resources Corporation</b>	
		Cease Trading Order.....	4815
<b>FXCM Capital Markets, Limited</b>		<b>Majestic Supply Co. Inc.</b>	
Order – s. 74(1).....	4747	Notice from the Office of the Secretary .....	4754
		Order – Rules 1.6(2) and 11.5 of the	
<b>FXCM Securities Limited</b>		OSC Rules of Procedure .....	4793
Order – s. 74(1).....	4747	<b>MedX Health Corp.</b>	
		Cease Trading Order.....	4815
<b>Galahad Metals Inc.</b>		<b>National Bank Trust Inc.</b>	
Cease Trading Order .....	4815	Decision.....	4774
		<b>New Solutions Capital Inc.</b>	
<b>GenFund Management Inc.</b>		Notice from the Office of the Secretary .....	4753
Name Change.....	5023	Order – ss. 127, 127.1.....	4791
<b>Genuity Fund Management Inc.</b>			
Name Change.....	5023		
<b>GeoGlobal Resources Inc.</b>			
Cease Trading Order .....	4815		
<b>Golden Moor Inc.</b>			
Cease Trading Order .....	4815		
<b>Green Syndications Inc.</b>			
Notice of Correction .....	4746		

<b>New Solutions Financial (II) Corporation</b>		<b>Putnam Investments Limited</b>	
Notice from the Office of the Secretary .....	4753	Order – ss. 78(1), 80 of the CFA .....	4800
Order – ss. 127, 127.1 .....	4791		
<b>New Solutions Financial Corporation</b>		<b>Quantitative Alpha Trading Inc.</b>	
Notice from the Office of the Secretary .....	4753	Cease Trading Order.....	4815
Order – ss. 127, 127.1 .....	4791		
<b>NI 13-101 System for Electronic Document Analysis and Retrieval (SEDAR)</b>		<b>Ratel Group Limited</b>	
Notice.....	4747	Decision – s. 1(10)(a)(ii) .....	4762
Rules and Policies .....	4940		
<b>NI 41-101 General Prospectus Requirements</b>		<b>RCM Asia Pacific Limited</b>	
Notice.....	4745	Order – ss. 78(1), 80 of the CFA .....	4800
Rules and Policies .....	4817		
<b>NI 41-101 General Prospectus Requirements</b>		<b>Redknee Solutions Inc.</b>	
Notice.....	4747	Decision.....	4757
Rules and Policies .....	4884		
<b>NI 44-101 Short Form Prospectus Distributions</b>		<b>Sanmugam, Arvind</b>	
Notice.....	4747	Notice from the Office of the Secretary .....	4754
Rules and Policies .....	4917	Order .....	4792
<b>NI 44-102 Shelf Distributions</b>		<b>Sentry Select Investments Inc.</b>	
Notice.....	4747	Voluntary Surrender of Registration .....	5023
Rules and Policies .....	4927		
<b>NI 51-102 Continuous Disclosure Obligations</b>		<b>Setanta Asset Management Limited</b>	
Notice.....	4747	Order – ss. 78(1), 80 of the CFA .....	4800
Rules and Policies .....	4939		
<b>NI 52-107 Acceptable Accounting Principles and Auditing Standards</b>		<b>Société en Commandite Fiera Quantum / Fiera Quantum Limited Partnership</b>	
Notice.....	4747	New Registration .....	5023
Rules and Policies .....	4935		
<b>NI 81-101 Mutual Fund Prospectus Disclosure</b>		<b>SSgA Funds Management, Inc.</b>	
Notice.....	4747	Order – s. 80 of the CFA .....	4810
Rules and Policies .....	4929		
<b>Northland Resources S.A.</b>		<b>State Street Global Advisors, Ltd.</b>	
Cease Trading Order .....	4815	Order – s. 80 of the CFA .....	4810
<b>OSC Staff Notice 15-704 Request for Comments on Proposed Enforcement Initiatives</b>		<b>Strumos, Daniel</b>	
Notice from the Office of the Secretary .....	4755	Notice of Correction.....	4746
<b>Ovenden, Ronald James</b>		<b>Suncastle Developments Corporation</b>	
Notice from the Office of the Secretary .....	4753	Notice from the Office of the Secretary .....	4754
Order – ss. 127, 127.1 .....	4791	Order – Rules 1.6(2) and 11.5 of the OSC Rules of Procedure .....	4793
<b>PharmaGap Inc.</b>		<b>Sundance Minerals Ltd.</b>	
Cease Trading Order .....	4815	Decision.....	4763
<b>ProSep Inc.</b>		<b>Syndications Canada Inc.</b>	
Cease Trading Order .....	4815	Notice of Correction.....	4746
<b>Putnam Advisory Company, LLC</b>		<b>Taggart Capital Corp.</b>	
Order – ss. 78(1), 80 of the CFA.....	4800	Order – s. 1(6) of the OBCA .....	4794
		<b>TSX Inc. and Alpha Exchange Inc. – Fees Filed under Section 8(c) of Recognition Order – Notice of Commission Approval</b>	
		Marketplaces .....	5025
		<b>Waddell &amp; Reed Financial Inc.</b>	
		Order – ss. 78(1), 80 of the CFA .....	4800
		<b>Wecast Industries Inc.</b>	
		Decision.....	4765

**Winget, Julie**

Notice from the Office of the Secretary .....4754  
Order.....4792

**Zhao, Ming Chao**

Notice of Hearing and Statement of Allegations  
– ss. 127, 127.1 .....4748  
Notice from the Office of the Secretary .....4753