

Draft Regulation(s)

Proposed Regulation

Securities Act
(1982, c. 48)

Securities Regulations

The ministre des Finances gives notice in accordance with Section 335 of the Securities Act (1982, c. 48) that he will submit the attached proposed regulations for the government approval at the end of a 45 day period from the date of the present publication.

Any person wishing to comment on these proposed regulations is required to send his comments to the minister with a copy to the Commission des valeurs mobilières du Québec (C.P. 246, Tour de la Bourse, Montréal, H4Z 1G3) before the expiry date of the 45 day period.

The ministre des Finances,
JACQUES PARIZEAU.

TITLE I GENERAL PROVISIONS

1. In this Regulation, unless otherwise indicated by the context, the following mean:

"generally accepted auditing standards", "generally accepted accounting principles", and "auditor's report": the auditing standards, accounting principles or standards and the report prescribed by the Handbook of the Canadian Institute of Chartered Accountants;

"trading intended to fix or stabilize the quotation of a security": a transaction or a bid intended to prevent or delay a drop in the quotation of a security.

2. Where an issuer is incorporated under a statute enacted by a legislative authority outside Canada, the principles, report and standards may be, at the issuer's option, those prescribed by that statute or those that an agency or a professional association comparable to the Canadian Institute of Chartered Accountants recommends. The issuer indicates his option in the notes to the financial statements.

In the case of a prospectus, such derogation is permitted only with the authorization of the Commission and on the terms that it sets.

3. The auditor's report on the financial statements prescribed by the Act or by this Regulation is drawn up in accordance with generally accepted auditing standards.

4. The following reporting issuers are exempted from drawing up financial statements in accordance with the provisions prescribed in section 80 of the Act:

(1) a bank governed by the Bank Act (S.C. 1980-81-82, c. 40) or the Québec Savings Banks Act (R.S.C. 1970, c. B-4);

(2) a life insurance company that holds a permit issued under the Insurance Act (R.S.Q., c. A-32).

This exemption applies to the extent that the financial statements are drawn up in accordance with the provisions of the statute incorporating the issuer.

5. The following documents must present clearly the information prescribed by the Schedules to this Regulation, by gathering the elements under the appropriate headings and subheadings, and by using tables to simplify the presentation:

(1) the prospectuses prescribed under Title II;

(2) the circular drawn up to solicit proxies prescribed in Chapter II of Title III;

(3) the disclosure file prescribed in Chapter III of Title III;

(4) the take-over circular referring to a take-over bid or issuer bid and the circular of the board of directors prescribed under Title IV.

6. The Commission may designate the items in the Schedules that must be kept, where it considers that the disclosure presented is likely to mislead investors.

7. The Commission may require the presentation in the prospectus of items of disclosure not prescribed in the Schedules where it considers that the type of investment proposed requires it.

8. The order of the items in the Schedules is not obligatory.

9. It is not necessary to refer to an item in the Schedules that does not apply, or to repeat disclosure that is prescribed under more than one heading.

10. Where the Schedules prescribed tables, the essential part of the presentation must be complied with.

11. The disclosure prescribed by the Schedules may be presented in summary form, provided there is no misrepresentation.

12. The Commission may permit disclosure prescribed by an item in the Schedules to be omitted where it considers such information to be of no value.

TITLE II DISTRIBUTION OF SECURITIES TO THE PUBLIC

CHAPTER I PROSPECTUS

DIVISION I GENERAL PROVISIONS

13. The prospectus submits the disclosure prescribed in Schedule I or, in the case of the units of an unincorporated mutual fund or shares of an incorporated mutual fund, in Schedule II.

14. A prospectus filed solely to enable an issuer to report in accordance with section 68 of the Act must contain the disclosure prescribed in Schedule I, *mutatis mutandis*.

15. The prospectus submits the disclosure prescribed in Schedule III in the case of securities of a reporting issuer distributed through a stock exchange recognized for that purpose by the Commission.

16. The Commission may refuse to receipt a prospectus more than 75 days after the date of receipt of the preliminary prospectus, or of the filing of a pro forma prospectus, where the time limit has been exceeded through the failure to act of the person applying for the receipt.

17. Where a distribution is made by a person who is not registered as prescribed by section 148 of the Act, the Commission may refuse to receipt the prospectus until the person is registered as a broker.

18. The Commission may refuse to affix its receipt if the issuer has not met the obligations of disclosure prescribed by the laws in the place where it is incorporated.

19. The Commission may also refuse to affix its receipt in the case of a distribution that does not comply with any of the following rules:

(1) in the case of a firm underwriting, the broker undertakes to take delivery of the securities or to withdraw the distribution within six weeks from receipt of the prospectus;

(2) in the case of a best efforts underwriting containing a minimum sum to be raised, the proceeds of the distribution are deposited with a person acceptable to the Commission who undertakes to remit them to the underwriters if the minimum is not reached;

(3) in the case of a best efforts underwriting containing a minimum sum to be raised, the distribution ends 60 days after receipt of the prospectus, unless the Commission authorizes an extension and the consent of the underwriters thereto is obtained.

20. Where any of the rules prescribed in section 19 applies, it must be so stated on the first page of the prospectus.

21. The Commission may refuse to receipt a prospectus filed by an issuer who intends to carry out the distribution himself in the following cases:

(1) the issuer does not have its head office in Québec;

(2) a remuneration is paid to officers or to employees as a result of the distribution.

22. In the case of a distribution made by the issuer himself, the receipting of the prospectus is subject to the following conditions:

(1) the issuer files a preliminary prospectus with the Commission;

(2) the issuer files, at the time of the filing of the final prospectus, a list of the subscribers solicited in accordance with subsection 3 of section 21 of the Act;

(3) the issuer files, when the distribution has been completed, a list of the subscribers indicating the name and address of each subscriber and the number of securities subscribed;

(4) the directors and officers of the issuer and their associates may not subscribe to securities that form part of the distribution except to the extent that a declaration of that fact is made in the prospectus.

23. A prospectus dealing with debt securities issued by a credit company, without a trust deed, must mention that fact on the first page.

24. The Commission may refuse to affix its receipt where the transfer service and the keeping of the register of holders is not looked after by persons approved by the Commission.

In addition, the issuer agrees not to replace such persons without the consent of the Commission.

25. The prospectus must contain the following notice:

"The laws enacted by various legislators in Canada give a purchaser a right of cancellation that may be exercised only in the two days following receipt of the prospectus and amendments to it. These laws also enable the purchaser to request cancellation or, in certain cases, damages following distribution transactions carried out using a prospectus that contained misrepresentation or following failure to send the prospectus. However, these actions must be undertaken within the time limits set. The provisions that apply should be referred to, and, if necessary, legal advice obtained.

In the case of a securities savings plan, the prospectus must contain a brief explanation of the rights of cancellation prescribed in Chapter I of Title VII."

26. The following warning must appear on the first page of the prospectus:

"No securities commission or similar authority in Canada has ruled on the status of the securities offered by this prospectus; any person who causes the contrary to be believed commits an infraction."

27. The date of the prospectus must appear on the first page.

28. The prospectus must contain the following warranty:

"This prospectus does not contain any misrepresentation likely to affect the security or the quotations of the securities to be distributed."

The warranty is signed by the president and general manager of the issuer, or by a person who holds a similar position, by the financial officer, and by two other persons selected from the directors and authorized for that purpose. Where applicable, it is also signed by the promoter or by his agent, where the Commission so authorizes.

The Commission may authorize the replacement of the signature of an officer by that of another officer.

29. The prospectus referred to in section 14 must contain the following warranty:

"This prospectus contains no misrepresentation likely to affect the security or the quotation of the securities already issued."

The provisions of the second and third paragraphs of section 28 apply to this section.

30. Where the issuer has fewer than four directors and officers, they all sign the warranty.

31. The Commission may require, on the conditions that it sets, signing of the warranty by a person who, during the two preceding years, played the part of promoter for the issuer.

It may also exempt the promoter from signing the warranty.

32. In the case of a firm underwriting, the prospectus must contain the names of the brokers belonging to the purchase group and to the selling group and the lead underwriter. In addition, it must indicate the number of the value of the securities that each of the members of the group has agreed to take up or to buy. The preliminary prospectus must contain that information if it is known.

33. In the case of a distribution made by a broker other than the issuer-distributor, the prospectus must contain at the end the following warranty, signed by the broker:

"To our knowledge, this prospectus does not contain any misrepresentation likely to affect the security or the quotation of the securities to be distributed."

The Commission may authorize the broker to sign the warranty through an agent. Where there is more than one distributor, it is signed by the lead underwriter.

DIVISION II FINANCIAL STATEMENTS

34. The most recent financial statements must be submitted in the prospectus, except in the case of an unincorporated mutual fund or an incorporated mutual fund, namely:

(1) either the audited statements closed less than 121 days before the date of receipt of the preliminary prospectus or of the filing of the pro forma prospectus;

(2) or unaudited statements closed less than 91 days before the date of receipt of the preliminary prospectus or of the filing of the pro forma prospectus, only in the case where the closing of the last fiscal year was more than 120 days, but less than one year, before that date.

Unaudited statements must be accompanied with an audited balance sheet, drawn up at the end of the last fiscal year.

35. The following statements must be submitted in the prospectus, except in the case of an unincorporated mutual fund or an incorporated mutual fund:

(1) a statement of the earnings of the last five years, and, where available, that for the current fiscal year closed at the date of the most recent statements;

(2) a statement of retained earnings for each of the periods mentioned in subparagraph 1;

(3) a statement of changes in financial position, or if investment constitutes the issuer's principal activity, the statement of changes in net assets for each of the periods mentioned in subparagraph 1;

(4) the most recent balance sheet and the corresponding balance sheet for the preceding fiscal year.

If the date of the most recent balance sheet does not correspond with the end of the fiscal year, it may be submitted either with the corresponding balance sheet for the preceding year, even if it is not audited, or with the audited balance sheets of the end of the last two fiscal years.

36. In the case of an unincorporated mutual fund or an incorporated mutual fund, the following audited statements are prescribed in the prospectus:

(1) the balance sheet and inventory of securities in the portfolio at the end of the last year;

(2) the statement of earnings, the statement of portfolio transactions, and the statement of changes in net assets for the last fiscal year.

These statements contain the disclosures required in Division IV of Chapter I of Title III.

The statement of portfolio transactions may be replaced by the statement of transactions for each six months of the fiscal year.

The Commission may, upon request or of its own motion, change the dates or the periods for which the statements are drawn up.

37. A note to the financial statements prescribed in section 36 must indicate for each of the last five fiscal years:

(1) the net value per share at the end of the fiscal year;

(2) the part of the payout per share obtained from:

(a) investment income;

(b) realized earnings;

(3) the ratio expressed in percentage of management cost to the average net assets.

To compute the ratio, the remuneration and any other expenses paid or payable to the manager by the fund must be included. The other expenses do not include commissions on portfolio transactions or taxes.

38. A prospectus in which the most recent financial statements deal with only part of the fiscal year must also present the statement of earnings, the statement of retained earnings and the statement of changes in financial position for the corresponding period of the last fiscal year.

It is not necessary that these statements be audited.

39. A prospectus dealing with debt securities, repayment of which is guaranteed as to the principal and the interest, must also present the financial statements of the guarantor, in accordance with the requirements of section 35.

40. The Commission may require or permit the presentation in the prospectus of a pro forma balance sheet of the issuer and of all its subsidiaries to take into account the issuing, redemption or cancellation of securities of the issuer, or any other transaction it may determine. The balance sheet is closed at the date of the most recent financial statement of the issuer.

41. If all or part of the proceeds of the distribution is intended to finance the acquisition of an enterprise by means of a transaction affecting the assets or the shares of the enterprise, the Commission may require or permit the presentation in the prospectus of:

(1) the financial statements of the enterprise acquired, in accordance with the provisions of subparagraphs 1 to 3 of section 35 and section 38, and its most recent balance sheet;

(2) a pro forma balance sheet combining the assets and liabilities of the issuer and the enterprise acquired at the date of the issuer's most recent balance sheet.

42. Where the Commission considers the disclosure useful to investors, it may require, for the year preceding that of the most recent balance sheet of the issuer, or may permit, for each of the five years preceding that date, the presentation in the prospectus of pro forma statements combining:

(1) the statement of earnings of the issuer and those of the enterprise acquired;

(2) the statement of changes in the financial position of the issuer and that of the enterprise acquired.

43. The report of the auditor on the pro forma financial statements prescribed in paragraph 2 of section 41 and section 42 may deal only with the way in which those statements were drawn up.

44. In the case of the financial statements of an issuer referred to in section 2, the supplementary notes

explain the significant differences from generally accepted accounting principles and give an assessment in figures of their effect.

45. A prospectus dealing with debt securities maturing later than one year, or with preferred shares, must contain disclosure concerning the coverage of commitments by assets and earnings, unless exempted by the Commission.

46. Estimates of earnings may not be used in the prospectus without authorization from the Commission, and must be accompanied with the auditor's comments.

During the period of the distribution, the broker must not publish other estimates than those contained in the prospectus or a summary of them.

47. The Commission may require that the financial statements of a subsidiary of the issuer be presented separately in the prospectus, or that they be consolidated or not consolidated with those of the issuer in the prospectus.

48. The Commission may permit the presentation in the prospectus of unconsolidated financial statements as supplementary disclosure.

49. Where the issuer is an artificial person, its financial statements presented in a prospectus are subject, before their approval by the board of directors, to study by the audit committee of the board of directors, in cases where there is such a committee.

The approval of the board of directors is attested to by the handwritten signature of two directors authorized for that purpose.

50. In the case where a prospectus contains unaudited financial statements, the issuer must send to the Commission an auditor's notice, drawn up in accordance with the recommendations of the Handbook of the Canadian Institute of Chartered Accountants, or any other notice of the kind that the Commission may require.

51. A preliminary prospectus or pro forma prospectus that does not contain an auditor's report is filed with the Commission with a letter from the auditor stating that he has no reason to believe that the financial statements in the prospectus which he is auditing contain any misrepresentation.

52. An auditor who has not progressed sufficiently in his examination of the books to make the declaration prescribed in section 51 may replace it by appropriate observations, subject to their acceptance by the Commission.

53. The Commission may grant a derogation from the time limits prescribed in this Division and may permit the omission from the prospectus of the financial statements required by this Division.

DIVISION III THE SIMPLIFIED PROSPECTUS

54. The simplified prospectus must present the disclosure prescribed in Schedule IV.

55. The simplified prospectus must contain the following explanation on the first page:

"This simplified prospectus contains disclosure intended to be completed by consulting the disclosure file. A copy of the disclosure file may be obtained from the issuer at the following address:

56. It is not necessary to present financial statements in a simplified prospectus.

57. A simplified prospectus must contain the following attestation:

"This simplified prospectus, with its supplement in the disclosure file, contains no misrepresentation that is likely to affect the value or the quotation of the securities to be distributed."

The provisions of the second and third paragraphs of section 28 and section 30 apply to this section.

58. In the case of a distribution made by a broker other than the issuer-distributor, the simplified prospectus contains, at the end, the following attestation, signed by the broker:

"To our knowledge, this simplified prospectus with its supplement in the disclosure file, contains no misrepresentation that is likely to affect the value or the quotation of the securities to be distributed."

DIVISION IV SPECIAL PLANS The simplified prospectus

59. A simplified prospectus for an unincorporated mutual fund or an incorporated mutual fund must present the disclosure prescribed in Schedule V.

60. A simplified prospectus is sent accompanied with the following financial statements:

- (1) the annual statements for the last fiscal year;
- (2) where applicable, the most recent semi-annual statements.

61. A simplified prospectus must contain the following statement on the first page:

"This document must be accompanied with audited financial statements for the last fiscal year, and where applicable, the most recent semi-annual statements for the unincorporated mutual fund or the incorporated mutual fund; such financial statements are deemed to form part of the disclosure file and of this document."

DIVISION V SPECIAL PLANS

The short form prospectus

62. A short form prospectus must present the disclosure prescribed in Schedule VI.

63. A person who intends to distribute securities of which the value does not exceed 3 000 000 \$, or who does not distribute during a fiscal year securities exceeding 3 000 000 \$ in value, may draw up a short form prospectus, except in the following cases:

(1) the issuer began his activity less than two years ago;

(2) the issuer is:

(a) a mining or petroleum company whose activity is limited to the exploration and development of natural resources;

(b) a credit company;

(c) an incorporated mutual fund or an unincorporated mutual fund;

(d) an insurance company holding a permit issued under the Insurance Act (R.S.Q., c. A-32);

(e) a person who distributes tax-shelter securities;

(f) a subsidiary of such persons.

64. The distributions referred to in section 63 include distributions made by associates of the issuer.

65. A short form prospectus presents the financial statements prescribed in section 35; however, for the preceding years, only the statements of the last two years are required.

66. An issuer who makes a distribution by means of a short form prospectus is exempted from the obligation of making the following disclosures:

(1) the filing of the annual financial statements prescribed in section 75 of the Act;

(2) the sending of financial statements prescribed in section 78 of the Act for the first and third quarters.

That exemption ends when the issuer makes a distribution by means of a prospectus in accordance with Schedule I, III or IV.

DIVISION VI SPECIAL PLANS Agencies selling options

67. For the purposes of obtaining the consent prescribed in section 67 of the Act, a person that sells securities referred to in that section must furnish the following information:

(1) its firm name, the address of its head office, and the method and date of incorporation;

(2) a brief description of its affairs;

(3) the names of the members of its board of directors and their main occupations;

(4) audited financial statements for the last fiscal year.

68. In the case where the securities referred to in section 67 of the Act are not negotiated on an organized market, the Commission may refuse consent and may require the issuing of a prospectus or other document.

69. The disclosure document prescribed by section 67 of the Act presents the disclosure prescribed by Schedule VII.

DIVISION VII THE PRELIMINARY PROSPECTUS AND THE PRO FORMA PROSPECTUS

70. A preliminary prospectus must contain, on the first page in red letters, the following explanation or one considered by the Commission to be equivalent:

"This preliminary prospectus has been filed with the Commission des valeurs mobilières du Québec. The information contained herein may be added to or amended. No commitment may be made in respect of the securities described herein until the Commission has issued its receipt for the final prospectus."

71. A preliminary prospectus may omit the auditor's report, the warranty prescribed in section 49, the consent prescribed in section 80, the number or value of the securities to be distributed, and the information regarding the subscription price and selling price.

72. A person who does not wish to submit a preliminary prospectus may file a pro forma prospectus before filing a final prospectus.

Warranties do not have to be signed.

DIVISION VIII FORM OF THE PROSPECTUS

- 73.** A prospectus must be typewritten or printed.
- 74.** The text of a printed prospectus must be set in roman type of a size equivalent at least to that of modern 10-point characters; however, the financial statements, the other information in statistical or tabular form and notes attached thereto may be in roman type of a size equivalent to that of modern 8-point characters.
- 75.** The characters in the printed prospectus must have at least a 2-point space between them.
- 76.** A prospectus, except a short form prospectus, must contain a sufficiently detailed table of contents.
- 77.** A prospectus is presented in the form of a continuous text.
- 78.** Except for the financial statements and other information of that nature, the text of the prospectus is divided into sections or paragraphs of reasonable length.
- 79.** The prospectus may include:

- (1) diagrams related to the subject of the text;
- (2) photographs representing only the products of the issuer;
- (3) maps designed to locate existing or planned activities of the issuer.

However, the Commission may object to the insertion of those elements where it considers that they might mislead someone or might hinder understanding of the text.

DIVISION IX DOCUMENTS TO BE FILED

80. Whenever a prospectus mentions the name of a person, by reason of the standing connected with his profession, for example, a lawyer, an auditor, an accountant, an engineer, a geologist or an appraiser who has drafted or certified part of the prospectus or who has made an appraisal or drawn up a report used in preparing the prospectus, the written consent of that person must be obtained, and the appraisal or report must be filed with the Commission along with the prospectus.

81. The Commission may grant an exemption from filing of the consent prescribed in section 80 if it

considers that such filing would involve too great difficulty.

82. In the writing prescribed in section 80, the auditor must:

- (1) indicate the date of his report and that of the financial statements which are dealt with therein;
- (2) state that he has read the prospectus and that no fact of which he was made aware at the time of his audit led him to believe that the document contained a misrepresentation.

83. In the writing prescribed in section 80, the engineer, geologist or appraiser must:

- (1) indicate the date of his report;
- (2) state that none of the items taken from his report and presented in the prospectus contain a misrepresentation.

84. In the case of a simplified prospectus, the writing prescribed in section 82 or 83 deals only with the documents drawn up by one of the persons referred to.

85. Where a person referred to in section 80 is or plans to be interested in the properties or securities of the issuer, of an associate or an affiliate, the prospectus must state that fact, with the necessary details.

86. Where a person referred to in section 80 is or plans to become a director, officer or employee of the issuer, an associate or an affiliate, the prospectus must state that fact.

87. In the case of a change made in a prospectus, the Commission may, if it is of the opinion that the change would nullify the consent prescribed in section 80, require the filing of a new consent.

88. In the case of a mining or petroleum company, a preliminary prospectus or pro forma prospectus is filed with the Commission accompanied with a complete report, if required brought up to date, on the lands listed under item 9 in Schedule I.

89. The report prescribed by section 88 is drafted by a mining engineer, a geologist or another person recognized by the Commission as competent; it is accompanied with an attestation containing the following elements:

- (1) the address and profession of the author;
- (2) his training and experience;
- (3) the date of his inspection of the premises, if the report is based on personal knowledge, or the sources of the information used, if it is not;

(4) where applicable, the statement required in section 80.

90. Where the issuer is an artificial person, the board of directors must pass a resolution:

- (1) approving the prospectus;
- (2) authorizing the signing of the prospectus by two directors on behalf of the board of directors;
- (3) authorizing filing of the prospectus;
- (4) approving the financial statements included in or attached to the prospectus;
- (5) authorizing the signing by two directors of the balance sheets contained in the financial statements included in the prospectus on behalf of the board of directors.

Upon request, that resolution is filed with the Commission.

91. Within fifteen working days following the end of a distribution of securities made by means of a prospectus, a report on the securities distributed in Québec must be filed with the Commission.

92. The report indicates the number and value of the securities issued in Québec by the distributor or by each member of the selling group or purchase group, by apportioning the figures depending upon whether the securities were distributed to natural or artificial persons.

93. In the case of issues that are eligible for a Québec Stock Savings Plan, the report indicates the number of securities distributed in that manner by each broker.

94. The broker who has signed the attestation contained at the end of the prospectus of the broker who made the distribution draws up and files the report. In the case of a distribution made through a group of brokers, the lead underwriter draws up and files the report.

95. In the case of a permanent distribution, the report prescribed in section 91 deals with the preceding fiscal year and is filed at the end of the twelfth month following receipt of the prospectus.

DIVISION X ADVERTISEMENTS

96. The advertisement mentioned in paragraph 3 of section 16 of the Act must contain the following notice or another notice considered by the Commission to be equivalent:

"The prospectus provides detailed information on the securities offered. A copy of the prospectus may be obtained from our office or from brokers authorized to distribute these securities in Québec."

97. The advertisement mentioned in paragraph 2 of section 21 of the Act must contain the following notice or a notice considered by the Commission to be equivalent:

"A preliminary prospectus dealing with the securities offered has been filed with the Commission des valeurs mobilières du Québec. The information contained therein may be added to or amended. No commitment may be made in respect of the securities described therein until the Commission has issued its receipt for the final prospectus. A copy of the preliminary prospectus may be obtained from our office or from brokers authorized to distribute these securities in Québec."

CHAPTER II EXEMPTION FROM PROSPECTUS

98. The notices mentioned in this Chapter of the Regulation are dated and signed by the person who makes the distribution or by his authorized representative, provided that he mentions his official title.

99. The notice given to the Commission by the person who made a distribution in accordance with sections 46 and 51 of the Act must contain:

- (1) the date of the distribution;
- (2) the name and address of the person who made the distribution;
- (3) the name and address of the issuer, if the person who made the distribution was not the issuer;
- (4) the name and address of the purchaser;
- (5) a summary description of the security distributed;
- (6) the number and value of the securities distributed;
- (7) the price paid by the purchaser;
- (8) the name and address of any person acting as a remunerated agent;
- (9) the amount of the remuneration.

100. The following provisions are inserted in the contract mentioned in subparagraph 2 of the first paragraph of section 47 of the Act.

"The underwriter shall state that:

- (1) he is acting as principal;

(2) he is an investor capable of assessing the risks of his investment by basing his decision on the information submitted by the issuer;

(3) he is familiar with the aims and objectives of the issuer and he has been informed of the nature of his affair;

(4) he has been informed of the proposed use of the proceeds of the distribution;

(5) he is aware of the characteristics of the securities, and, where it applies, of their speculative nature, and of the fact that they may not be resold or otherwise disposed of except in accordance with the provisions of the Act."

101. The notice to be given, under section 49 of the Act, before beginning the distribution must contain:

(1) the name and address of the issuer and the promoter;

(2) a brief description of the nature of the current and proposed affairs of the issuer;

(3) the designation of the Act under which the issuer is incorporated;

(4) a summary description of the security distributed;

(5) the number and value of the securities distributed;

(6) a commitment to comply with the provisions of section 47 of the Act;

(7) the date of the last distribution in which the promoter participated under the exemption provided for in section 47 of the Act;

(8) a copy of the draft contract that will establish the distribution.

102. The notice to be given, under section 49 of the Act, within ten days of completing the distribution must contain:

(1) the names of the issuer and the promoter;

(2) a summary description of the security distributed;

(3) the names and addresses of the subscribers;

(4) the date for each transaction;

(5) the number of securities subscribed for and the price paid by each subscriber;

(6) a copy of the contracts establishing the distributions, if they are different from the draft contracts filed under section 101.

103. At the time of an exchange of securities related to a merger or a capital reorganization carried out in accordance with section 50 of the Act, the issuer shall file the following disclosures with the Commission:

(1) the name and address of each of the artificial persons involved in a merger or a capital reorganization, with a brief description of their affairs;

(2) a description of the securities involved in the exchange;

(3) the number and value of the securities;

(4) the method of evaluating the securities, and the equivalence of the exchange;

(5) the conditions for completion, and the date set for the transaction;

(6) the name and address of any remunerated agent;

(7) the amount of that remuneration.

In the case of a merger or capital reorganization that is intended to eliminate minority shareholders, an independent evaluation of the securities given in exchange must be filed.

104. An issuer who makes a distribution under the exemption prescribed in section 52 of the Act shall make the following disclosures to the Commission:

(1) the date of the proposed distribution and its duration;

(2) a description of the security distributed;

(3) the number and price of the securities contemplated by the distribution;

(4) the conditions of the distribution.

105. The notice of a bid established at the time of a distribution mentioned in paragraphs 1 and 3 of section 52 of the Act must contain, in addition to the disclosures prescribed in section 104, the following disclosures:

(1) the nature of the changes that have occurred among the directors and officers of the issuer since the last annual meeting;

(2) the information known to the directors and officers concerning any transfer of securities that brought about a significant change in control of the issuer since the last meeting of the holders of voting securities;

(3) the details of commissions or other remuneration that must be paid for the proposed distribution;

(4) any other material fact in respect of the issuer and the securities bid, and in particular, if it refers to a distribution of subscription rights:

- (a) the approximate net proceeds that the issuer will obtain if all the subscription rights are exercised;
- (b) the proposed use of the funds obtained;
- (c) where it applies, the minimum sum required to satisfy the issuer's needs;
- (d) if a minimum amount has been set, and if the distribution is a best efforts underwriting, the minimum and the name of the person who will keep on deposit the sums collected until the minimum has been reached;
- (e) if the minimum amount is guaranteed by a subscription underwriting, the name and address of the guarantor;
- (f) the nature of any condition for cancellation or other similar provision, and the arrangements designed to ensure that the sums collected are remitted in full in cases where the minimum is not reached.

106. The notice of a bid established at the time of a distribution mentioned in paragraph 5 of section 52 of the Act contains, in addition to the disclosures prescribed by section 104, the following disclosures:

- (1) the designation of the category of employees or officers to whom the distribution is addressed;
- (2) the maximum number of securities that may be subscribed for or purchased by each employee or officer;
- (3) the method of payment for the said securities;
- (4) the minimum sum to be collected, if any, and the proposed use of the proceeds of the distribution;
- (5) the nature of the changes that have occurred among the directors and officers of the issuer since the last annual meeting;
- (6) information known to the directors and officers concerning any transfer of securities that involved a material change in control of the issuer since the last meeting of the holders of voting securities;
- (7) any other material fact, in respect of the issuer or the security bid, that is necessary to enable an informed decision to be made.

107. The issuer is exempted from establishing the notice of a bid at the time of a distribution mentioned in paragraph 5 of section 52 of the Act, intended solely for its directors and officers or those of an artificial person connected with the issuer.

108. The following documents are transmitted with a notice of a bid to the Commission and to any security holder, employee or director and officer contemplated by the distribution:

- (1) one copy of the notice of the last annual meeting;
- (2) the most recent audited financial statements;
- (3) where the distribution is made by means of a prospectus outside Québec, a copy of that prospectus.

109. In the case of a distribution referred to in paragraphs 1 and 3 section 52 of the Act, the documents mentioned in paragraphs 1 and 2 of section 108 do not have to be transmitted to security holders of a reporting issuer.

110. In the case of a distribution governed by the exemption prescribed in paragraph 1 of section 52 of the Act, the issuer shall file with the Commission, in addition to the disclosures prescribed in section 104, a copy of the minutes of the last annual meeting.

111. The following disclosures are required for the purposes of applying the second paragraph of section 12 of the Act:

- (1) the planned date of the beginning of the distribution;
- (2) an estimate of the value of the securities to be distributed;
- (3) the name of the competent authority entitled to receive disclosure documents or to grant an exemption;
- (4) a copy of the disclosure documents or the text establishing the exemption;
- (5) the name and address of the broker entrusted with the distribution operation, if known.

A reporting issuer is not required to transmit disclosure documents unless the Commission requires it.

In the case of an issuer that meets the conditions prescribed in section 153, 154 or 155, the Commission gives its approval when the disclosure required in this section has been received.

TITLE III DISCLOSURE REQUIREMENTS RESPECTING OUTSTANDING SECURITIES

CHAPTER I PERIODICAL DISCLOSURE

DIVISION I ANNUAL FINANCIAL STATEMENTS

112. The annual financial statements prescribed in section 75 of the Act include:

- (1) the statement of earnings;

- (2) the statement of retained earnings;
- (3) the statement of changes in financial position, or, if investment constitutes the issuer's principal activity, the statement of changes in net assets;
- (4) the balance sheet.

113. The financial statements deal with the last year and are presented in comparison with those of the preceding year.

When it applies to an initial year, the financial statements deal with the period from incorporation of the reporting issuer to the end of the first year.

114. The annual financial statements are approved by the board of directors. The approval of the board of directors is attested to by the signature of two directors authorized for that purpose. The signature may be handwritten or a reproduction.

DIVISION II QUARTERLY FINANCIAL STATEMENTS

115. The quarterly financial statements prescribed in section 76 of the Act include:

- (1) the statement of earnings;
- (2) the statement of changes in financial position, or if investment is the issuer's principal activity, the statement of changes in net assets.

The statements deal with the period between the closing of the last year to the end of the quarter.

116. The statements are presented in comparison with those of the corresponding period of the preceding year.

117. The quarterly statements need not be audited.

DIVISION III FILING OF DOCUMENTS

118. A reporting issuer must advise the Commission in writing of the sending of the annual report and the quarterly financial statements to security holders.

119. A reporting issuer must file with the Commission, not later than the day following the sending, two copies of any document transmitted to holders of its securities.

DIVISION IV SPECIAL PLANS

120. The annual and semi-annual financial statements of an incorporated mutual fund or of an unincorporated mutual fund include a statement of changes in net assets, replacing the statement of changes in financial position. The statement must include:

- (1) the net assets at the beginning of the period;
- (2) the net income or net loss from investments;
- (3) the aggregate proceeds from sale of securities in the portfolio;
- (4) the aggregate proceeds from sales of short term debt securities;
- (5) the aggregate cost of the securities in the portfolio at the beginning of the period;
- (6) the aggregate cost of the acquisition of securities during the period;
- (7) the aggregate cost of the short term debt securities;
- (8) the aggregate cost of the securities in the portfolio at the end of the period;
- (9) the aggregate cost of the securities sold;
- (10) the gain or loss on the sale of securities;
- (11) the sums paid out, apportioned according to their origin: net income from investments and realized gains on the sale of securities;
- (12) the proceeds from a distribution of shares or units;
- (13) the redemption price for shares or units;
- (14) the net increase or reduction in the unrealized gain or loss on securities in the portfolio;
- (15) the net assets at the end of the period;
- (16) the break-up value of a share or a unit at the beginning and the end of the period;
- (17) the sums paid out per share or per unit, apportioned according to their origin: net income from investments and realized gain on the sale of securities.

The items prescribed in subparagraphs 3 to 7, 15 and 16 may be presented in the form of notes or tables.

In subparagraphs 3 and 6 short term debt securities held temporarily for reinvestment in other securities are excluded.

121. The gross proceeds from securities sold and the aggregate cost of securities bought are presented as notes to the statement prescribed in section 120.

122. The semi-annual financial statements of an incorporated mutual fund or of an unincorporated mutual fund need not show a comparison with those of the corresponding six months of the preceding year. The same rule applies to the annual financial statements prescribed in sections 123 to 126.

123. The annual and semi-annual financial statements of an incorporated mutual fund or of an unincorporated mutual fund, and the annual financial statements of a credit company must contain an inventory of the securities in the portfolio, containing the following indications for each security or class of security:

- (1) the name of the issuer;
- (2) the designation of the security, and, where it applies, of the class;
- (3) the number of securities of their aggregate par value;
- (4) their current market value;
- (5) their cost, and if it is other than the average cost, the manner in which it was calculated.

The securities whose current market value represents less than 5% of the total assets of the company or the Fund may be gathered under the heading "various securities", with only the information prescribed in subparagraphs 4 and 5.

124. Incorporated mutual funds and unincorporated mutual funds are required to include in their annual and semi-annual financial statements a statement of portfolio transactions, including for each class of a security traded during the period:

- (1) the name of the issuer;
- (2) the identification of the security, and, where it applies, the class;
- (3) the number of securities acquired or sold or their aggregate par value;
- (4) the aggregate price of the acquisition or sale;
- (5) where it applies, the portfolio transactions subsequent to a share split or consolidation, a stock dividend or a merger.

The information respecting debt securities is given separately.

125. In the case of hypothecary debt securities, the inventory of securities in the portfolio gives the following information, instead of the information prescribed in section 123:

(1) the number of debt securities and their aggregate real value;

(2) the apportioning of that number and that value, according to whether it applies to debt securities insured in accordance with the National Housing Act (R.S.C. 1970, c. N-10), ordinary insured debt securities or ordinary uninsured debt securities;

(3) the apportioning of the number, of the aggregate real value, the portion amortized and the balance of capital unpaid, in sections of contractual interest of not more than $\frac{1}{4}$ %.

126. In the case of hypothecary debt securities, the statement of portfolio transactions gives the following information, instead of the information prescribed in section 124, apportioned according to whether they are debt securities insured in accordance with the National Housing Act (R.S.C., 1970, c. N-10), ordinary insured debt securities or ordinary uninsured debt securities:

- (1) the number of debt securities acquired or disposed of;
- (2) the aggregate price of acquisition or disposal;
- (3) the amounts received in repayment of the capital of the debt securities.

127. The statement of portfolio transactions prescribed in sections 124 and 126 need not be published with the annual or semi-annual financial statements if it has been filed with the Commission at the same time as the financial statements, and if the published financial statements or the prospectus indicate that one can obtain it without cost from the issuer

128. In the case of temporary use of free balances in short term debt securities, it is sufficient to provide the information prescribed in sections 123 and 124 in aggregates for securities issued by:

(1) a bank governed by the Bank Act (S.C. 1980-81-82, c. 40), or the Québec Savings Banks Act (R.S.C. 1970, c. B-4);

(2) a loan and investment company incorporated under a law of Québec or registered in accordance with the Loan and Investment Societies Act (R.S.Q., c. S-30);

(3) a trust company registered under the Trust Companies Act (R.S.Q., c. C-41).

That presentation also applies in the case of short term debt securities classified in one of the two higher classes by a security evaluation agency recognized by the Commission.

129. Where an incorporated mutual fund or an unincorporated mutual fund invests solely in the securities of another incorporated mutual fund or another unincorporated mutual fund, the annual and semi-annual financial statements must contain the statements of the other company or the other fund. The annual financial statements must also include its own balance sheet.

130. An incorporated mutual fund or an unincorporated mutual fund is required to include the following information in its annual financial statements or in the notes:

- (1) the commissions paid on portfolio transactions;
- (2) any other remuneration paid to brokers for portfolio transactions, and, if it is an estimate, the method of calculation;
- (3) management charges, their method of calculation and the services received;
- (4) services received in return for salaries paid;
- (5) in the case where the remuneration of the personnel of a management company is assumed by the incorporated mutual fund or the unincorporated mutual fund, the method of calculation used and the justification for it;
- (6) the method of calculating income tax and explanations of the financial position of the company or the fund;
- (7) explanations of any unusual variations in charges compared to those of the preceding year, in the case where such a variation does not result solely from a change in assets.

The information required by subparagraphs 3 to 7 is also required in the semi-annual statements.

131. The financial statements of a company that has not yet reached the stage of normal operations contain an analysis of the deferred charges for the period, presenting separately exploration expense, development expense and administrative expense, as well as the deferred balance at the beginning and end of the period.

132. In the case of an investment contract, a limited partnership or a joint venture, the annual financial statements of the business or of the partnership must include detailed statements of the use of the funds invested and the distribution of the income.

The first of these statements must be drawn up in a form comparable to that of the budget presented in the prospectus or otherwise transmitted to the holders. It must indicate, where applicable, the funds to be invested to complete the project. Any significant

discrepancy between the funds invested and the budget estimates must be explained.

The second statement must indicate the distribution of income between the holders of each class, the promoter and the management. It must also indicate the balance of the funds to be reimbursed to the holders as a group and the amount to be paid for each unit issued.

133. The statement of use of invested funds also forms part of the quarterly financial statements.

134. An issuer of tax shelter securities within the meaning of section 47 of the Act is required to furnish in its annual financial statements the information that the holder will need to claim the benefit in his tax return.

CHAPTER II SOLICITATION OF PROXIES

DIVISION I PROXY FORM

135. A proxy form must identify the meeting for which the proxy is solicited. It must indicate in bold type whether the proxy is solicited on behalf of the management of the reporting issuer, and must contain a space for entering the date on which it is signed.

136. The proxy form or the circular must mention the right of the holder to designate as agent a person other than the one whose name appears on the form, and must also indicate the entries that the holder must make on the form to avail himself of that right.

137. The provisions of section 136 apply only to solicitation by the management of the company.

138. A proxy form must be so designed as to enable a holder to:

- (1) state whether or not he intends his agent to vote on the appointment of an auditor or in the election of directors;
- (2) indicate the way in which the agent must vote on any other question defined on the form, in the notice of meeting or in the circular.

139. However, provision may be made for the agent to exercise the right to vote in the absence of any indication by the mandator, on condition that the form or a circular indicate in bold type the way in which the person who solicits the proxy will vote on each question.

140. The form or the circular must contain a commitment on the part of the person who solicits the proxy to respect the holder's instructions.

141. The proxy on the form may leave to the agent the decision to vote in the way he considers advisable on amendments and on new points brought before the meeting, in so far as the person who solicits the proxy does not know them or cannot foresee them at the time of solicitation.

142. A proxy is valid only for the meeting to which it applies, including any continuation if the session is adjourned.

143. A proxy authorizes voting for the election of a director only where the candidate is named on the form or in the circular.

DIVISION II THE CIRCULAR

144. The circular prescribed in section 82 of the Act presents the disclosure prescribed in Schedule VIII.

145. The disclosure presented in the circular is closed less than 30 days before the sending date.

146. The circular may omit information that could not be obtained, provided that such omission is explained.

147. Any disclosure contained in another circular, in a notice of meeting or in a proxy form relating to the same meeting and already sent may also be omitted, provided that the circular refers to the other document.

148. A person who sends a circular or a proxy form for a meeting must immediately file with the Commission two copies of all the documents sent.

149. A circular drawn up on behalf of the management of the reporting issuer is signed by a director or officer authorized to do so. The signature may be handwritten or a reproduction.

150. The person responsible for filing the documents mentioned in section 148 informs the Commission that they have been sent to the holders.

151. The proxy form prescribed in section 81 of the Act or the circular prescribed in section 82 of the Act may be replaced by any corresponding document established in accordance with the Act incorporating the reporting issuer the content of which is equivalent to that prescribed by this Regulation.

CHAPTER III DISCLOSURE FILE

152. The disclosure in respect of a reporting issuer prescribed in paragraph 1 of section 85 of the Act is presented in accordance with Schedule IX.

The disclosure documents prescribed in section 85 of the Act may be replaced by disclosure documents drawn up for another authority in matters of securities provided that they present at least the information required by the Act or the regulations.

153. A reporting issuer who presents in the annual report prescribed in section 77 of the Act or in the circular prescribed in section 82 of the Act the disclosure required by Schedule IX may omit it from the Schedule, provided that he fulfils the following two conditions:

(1) he has met for three years the disclosure obligations of Title III of the Act or equivalent obligations imposed by the provisions replaced by Title III;

(2) the total value of the outstanding shares, except preferred shares, held by persons who control less than 10% exceeds 100 000 000 \$.

A reporting issuer who avails himself of the permission indicates under the appropriate item of Schedule IX that the disclosure is presented in the annual report or in the circular.

154. A reporting issuer who fulfils the conditions prescribed in section 153, except that stated in paragraph 2, is entitled to the same permission for the issuing of debt securities or preferred shares not convertible into common shares, where the securities already issued and those it is proposed to issue are classified by a recognized appraiser in one of the categories determined by the Commission.

155. Any issuer may avail itself of the same permission, for the purpose of distributing debt securities or preferred shares not convertible into common shares, if it fulfils the following conditions:

(1) the securities to be issued are unconditionally guaranteed, as to principal and interest, by a reporting issuer who fulfils the conditions prescribed in paragraphs 1 and 2 of section 153;

(2) the debt securities already issued by the guarantor are classified by a recognized appraiser in one of the categories determined by the Commission;

(3) the securities to be issued are provisionally classified by a recognized appraiser in one of the categories determined by the Commission.

156. An issuer whose existence is the result of an amalgamation or a reorganization in which a reporting issuer fulfilling the condition prescribed in subparagraph 2 of section 153 participated is considered to have fulfilled that condition.

All the issuers that participate in the amalgamation or the reorganization must have satisfied for one year the disclosure obligations of Title III of the Act.

157. For the application of subparagraph 2 of section 153, the value of the outstanding shares is established according to the arithmetical mean of the closing quotations during the last month of the preceding year.

In the case of the issuer referred to in section 156 the value is established according to the arithmetical mean of the closing quotations during the ten days preceding the filing of the document prescribed in section 152.

158. The filing of Schedule IX by the issuer who fulfils the conditions of section 153, 154 or 155 is accepted the first time when the Commission agrees or does not express any opposition during the ten working days following receipt of the document.

Subsequently, it is deemed to be accepted, unless the Commission informs the issuer within 30 days of the end of its fiscal year that it desires to give a new ruling, following the procedure prescribed in the preceding paragraph.

In the case of filing of the document by the other qualifying issuers, the time limit prescribed in the first paragraph is 30 working days.

159. The disclosure file prescribed in section 108 of the Act for an incorporated mutual fund or an unincorporated mutual fund must present:

- (1) the documents filed in accordance with Divisions I and III of Chapter II of Title III of the Act;
- (2) the most recent annual report;
- (3) the semi-annual financial statements;
- (4) the disclosure prescribed in Schedule X.

160. The disclosure file must contain any other material fact that it is necessary to add to ensure that the disclosures contained in the file do not become misrepresentations.

161. The document drawn up in accordance with Schedule IX or X is signed by the president and general manager of the issuer, or by the person who holds a similar position, by the financial officer and by two other persons, selected from among the directors and authorized to sign.

The provisions of the third paragraph of section 28 and of section 30 apply to this section.

CHAPTER IV INSIDER REPORTS

162. The reports prescribed in sections 96 to 100, 102 and 103 of the Act are drawn up in accordance with Form 1.

The declaration prescribed in section 143 of the Act is also drawn up in accordance with Form 1.

163. The report prescribed in section 102 of the Act must be filed not later than the tenth day following the date of the registration of the securities in the name of a third party.

164. Where a person declares, in accordance with sections 96 to 100 of the Act, that he exercises control, or that there is a change in his control over the securities of a company controlled by it or an affiliate, such declaration replaces the one that the company would have been required to make.

165. The insider declaration prescribed by Form 1 may be replaced by any declaration presented on a form of equivalent content, on condition that it bears the handwritten signature of the insider.

166. Where the securities are subscribed for or purchased under a share subscription plan, a dividend reinvestment plan or are received under a stock dividend distribution, the declaration prescribed in sections 96 and 97 of the Act is filed not later than the 90th day following the end of the calendar year, except in the case provided for in the following paragraph.

Any person who submits before the end of the calendar year another declaration dealing with the securities subscribed or otherwise purchased must declare, at that time, the securities referred to in the first paragraph.

TITLE IV TAKE-OVER BIDS AND ISSUER BIDS

167. The circular prescribed in section 118 of the Act must present the disclosure prescribed in Schedule XI.

168. The circular of the board of directors of the company referred to must present the disclosure prescribed in Schedule XII.

169. The notice of a director or officer of the company must present the disclosure prescribed in Schedule XIII.

170. The circular concerning an issuer bid must present the disclosure prescribed in Schedule XIV.

171. Two copies of the documents sent to securities holders at the time of a take-over bid must be filed with the Commission.

172. The take-over circular, the circular of the board of directors, or the notice of a director or officer must contain the following warning:

"The Québec Securities Act provides civil remedies where the circular contains a misrepresentation."

173. Where the bid is made by an artificial person or on its behalf, the take-over circular or the circular of the board of directors is signed by the president, the director in charge of financing and by two other persons selected from among the directors and authorized to sign.

Where the artificial person has fewer than four directors and officers, all are to sign.

Where the bid is made by a natural person or on his behalf, he alone signs the take-over circular or the circular.

The notice of a director or officer is signed by its author.

174. An appraisal of the company referred to is made, based on hypotheses of permanence or liquidation, when the offeror plans to transform the company referred to into a company that could be amalgamated with a closed corporation.

The appraisal report is drawn up by an independent appraiser.

175. The appraisal report is drawn up less than 121 days before the date of the bid. The appraiser takes into consideration, in a supplementary document, the material facts occurring after the date of the report.

Copies of those reports are filed with the Commission.

176. The Commission may accept a report drawn up more than 120 days from the date of the bid provided that a letter from the appraiser it sent to the holders certifying that no material fact has occurred to his knowledge since the date of the report, or describing any material fact occurring after that date and its effect on the appraisal.

177. The Commission may permit information to be omitted from the appraisal report where the dissemination of such information could cause serious

prejudice to the issuer, the company referred to or the holders.

178. The degree of variation prescribed in section 116 of the Act is established at 15% of the average closing quotation of the securities referred to during the ten days of stock market activity preceding the date of the bid.

In the case of securities acquired by taking up a purchase option acquired during the two years preceding the bid, the exemption prescribed in paragraph 2 of section 116 of the Act applies only if the purchase price of the option is not greater than the degree of variation prescribed in the first paragraph.

Where there is no organized market for the securities referred to, the Commission determines the maximum purchase price.

179. In the case of a take-over bid by exchange of securities, the circular must present, in addition to the disclosure prescribed in Schedule XI, the disclosure and the financial statements required by the Regulation for a prospectus of the issuer whose securities are offered in exchange.

TITLE V SECURITIES BROKERS AND ADVISERS

CHAPTER I REGISTRATION CATEGORIES

180. Persons required to register as securities brokers or advisers apply to be registered in one of the categories prescribed in the following sections.

181. A person who intends to practise as a broker applies for registration for unrestricted practice, unless he intends to limit his activity to forms of investment or types of transactions calling for registration for restricted practice.

182. An issuer that restricts its activities to distributing a security issued by itself, without exemption from issuing a prospectus, applies for registration as an issuer-distributor.

183. A person who intends to practise as a securities adviser applies for unrestricted registration, unless he intends to limit his activities, in which case he applies for a restricted activity registration.

184. A broker who intends to offer portfolio management services is exempted from registration as a securities adviser if it fulfils the following conditions:

(1) the natural persons who perform the management are registered as broker's representatives;

(2) it draws up suitable operating rules to protect its clients' interests;

(3) it respects the rules prescribed in section 190 of the Act and paragraphs 2, 3 and 4 of section 214 and sections 230 and 239 of this Regulation;

(4) in its application for registration as broker, it states that it intends to offer portfolio management services.

CHAPTER II REGISTRATION PROCEDURES

185. An applicant for registration as securities broker or adviser submits his application on Form 2.

Except in the case of an issuer-distributor, an application for registration is accompanied by financial statements and an auditor's report.

186. An applicant for registration as securities broker or adviser must produce insurance or surety providing the coverage required in section 203, at the time of his application.

The Commission may grant an exemption, on the conditions that it determines, to certain brokers with restricted practice.

187. An applicant for registration as representative of a securities broker or adviser submits his application on Form 3.

188. An applicant attaches to his application for registration the fees prescribed in Chapter II of Title VI.

CHAPTER III EFFECTS OF REGISTRATION

189. Registration is valid until it is cancelled. It requires the annual payment of fees prescribed in Chapter II of Title VI.

190. If the fees are not paid within the time limit prescribed in Chapter II of Title VI, the Commission may suspend the rights conferred by registration.

191. The rights conferred on an issuer-distributor by registration are suspended when the distribution is interrupted or terminated.

The suspension is lifted when the issuer-distributor resumes the distribution or distributes another security.

However, the Commission may automatically cancel a registration when the period of suspension exceeds one year.

192. The rights conferred by the registration on the representative of a securities broker or adviser are suspended in the following cases:

(1) he ceases to represent the securities broker or adviser that he said he represented at the time of registration;

(2) the securities broker or adviser that he represents loses the rights conferred by registration.

The suspension is lifted when another broker or adviser informs the Commission that it has engaged him as representative.

However, the Commission may automatically cancel the registration of the representative when the rights accruing to him from registration have been suspended for more than six months.

CHAPTER IV CONDITIONS TO BE MET

193. The securities broker or adviser has a principal establishment in Québec, directed by a person who is an officer residing in Québec.

The Commission may, however, exempt a securities adviser from the requirements on terms set by it.

194. An applicant who applies for registration as the representative of a broker or an adviser must be at least 18 years old and must be resident in Québec.

195. He must have successfully completed the courses that would give him an adequate professional training in the opinion of the Commission.

In addition, a representative who carries out the duties of an officer must possess the knowledge and experience that would give him adequate preparation for his duties in the opinion of the Commission.

196. A natural person who applies for registration as a securities broker or adviser must possess the experience and knowledge required of an officer.

197. A fully qualified broker must possess, subject to a minimum of 75 000 \$, net liquidity at least equal to the sum of:

(1) a proportion of the equalized liabilities calculated as follows:

(a) 10 % of the first 2 500 000 \$;

(b) 8 % of the next 2 500 000 \$;

(c) 7 % of the next 2 500 000 \$;

(d) 6 % of the next 2 500 000 \$;

(e) 5 % of the amount exceeding 10 000 000 \$.

(2) the coverage provided by the insurance or surety prescribed in section 203.

The general instructions of the Commission prescribe the method of calculating the net liquidity and the equalized liabilities.

198. A restricted practice broker or an adviser with unrestricted practice must possess working capital at least equal to the sum of 25 000 \$ and the coverage provided by the insurance or the surety prescribed in section 203.

199. A restricted practice financial adviser must possess working capital of at least 5 000 \$.

200. The Commission may increase or reduce the amount of net liquidity or working capital in cases where it considers that the nature of the activity carried on requires greater liquidity or that the protection of the investors is adequately provided for.

The Commission may also exempt a restricted practice broker from the requirements prescribed in section 198.

201. A securities broker or an adviser must inform the Commission immediately when it does not have the net liquidity or working capital required by sections 197 to 199.

202. A broker may, with the authorization of the Commission, borrow funds that will be included in its net liquidity, provided that the lender agrees not to compete with the other creditors, in accordance with the formula prescribed by the general instructions of the Commission.

203. A broker in any category or an adviser with unrestricted practice must subscribe for insurance or surety giving it a coverage considered adequate by the Commission.

Unless there is a decision by the Commission to the contrary, the minimum coverage is:

- (1) 200 000 \$ for a broker with unrestricted practice;
- (2) 100 000 \$, plus 50 000 \$ for each employee, for a broker selling group savings plans or investment contracts;
- (3) 100 000 \$, for a securities adviser.

204. A broker in any category or an adviser with unrestricted practice must inform the Commission of any change or any call on the insurance or surety required according to section 203.

205. An unrestricted practice broker or a restricted practice broker must, in the cases determined by the Commission, participate in a guarantee fund approved by the Commission.

In the case of a broker that is not a member of a recognized self-regulating agency, the Commission determines the amount of its contribution.

206. A broker who keeps fully paid securities not assigned as security, on behalf of a customer, must separate them from other securities. On statements of account and in its registers, it must indicate clearly that such securities are on deposit.

A broker may dispose of such securities only on the instructions of the customer concerned.

A broker is not required to use a separate certificate in the customer's name.

207. A broker may use credit balances not assigned as security on the following conditions:

- (1) the statement of account sent to the customer indicates that the funds are being used to finance the broker's working capital and are payable on demand;
- (2) it pays a reasonable interest;
- (3) it may keep such funds only temporarily, with a view to investing them in securities.

208. An unrestricted practice adviser must keep in a trust account, separate from his assets, sums received as subscriptions or advance payments, until the time to use them in accordance with their intended purpose.

209. A broker is required to make an inventory of the securities kept on behalf of its customers, or to obtain a confirmation in the case of securities kept by a co-contractant or deposited in a current account with a clearing agency, and to reconcile the results with the entries in its books and registers:

- (1) semi-annually in the case of securities referred to in section 206;
- (2) monthly in the case of the other securities.

CHAPTER V ACCOUNTING DOCUMENTS

210. A person who is registered must keep the account books and registers necessary to its activities and must retain them for a period of at least five years.

Such books and registers may be kept by means of data processing or mechanical systems, on condition that:

- (1) adequate precautions are taken to minimize the risks of falsification of the data;

(2) it is possible to furnish the information, within a reasonable time and in a precise and comprehensible form, to any person authorized by law to audit it.

211. The account books and registers that a registered person must keep in Québec must be kept in the principal establishment that it is required to keep in Québec.

212. The account books and registers that a broker with its head office in Québec must keep include:

(1) a register for primary registration in which are entered in chronological order purchases and sales of securities allocated according to the markets on which the transactions were effected, securities received and delivered, cash receipts and disbursements;

(2) a customers' ledger in which, for each separate account, are entered the buy and sell transactions, the securities received and delivered, and all the other transactions entered as debits or credits in the account;

(3) the books in which are entered:

(a) the securities being transferred;

(b) dividends and interest received;

(c) securities borrowed or loaned;

(d) sums borrowed or loaned, with identification of the security attached;

(e) securities not received or not delivered by settlement date;

(f) long and short positions for each security, both in customers' accounts and in those of the registered person, with identification of the account and the place in which the securities are kept or the position taken in compensation for the securities sold short;

(4) a register of buy and sell orders and the related instructions, in which are entered:

(a) the description of the order;

(b) the account to which it refers;

(c) the name of the person who placed the order, where it is not the same as that in paragraph b;

(d) the date and the time of the order;

(e) where applicable, the fact that the order was placed under a management contract;

(f) the price at which the order was executed;

(g) the date;

(5) a register containing the copies of the confirmation slips and the statements sent to customers;

(6) a file for each customer containing:

(a) the name and address of the account holder and, where applicable, of his surety;

(b) any proxy by which the account holder grants to another person power to place orders for him, with the address of that person;

(c) in the case of a joint account or an account opened in the name of a company, the name and address of the person authorized to place orders, with the document granting him such power;

(d) where appropriate, a contract for a margin account, signed by the holder of the account, and, where applicable, by his surety;

(7) a register in which are entered the options bought, sold or underwritten by the broker, with the value and number of the securities to which those options refer;

(8) books and registers showing in detail all the assets and liabilities, proceeds and charges and the capital;

(9) a monthly trial balance and a monthly computation of equalized liabilities and net liquidity or working capital;

(10) a register in which are entered details of the daily commissions of the representatives.

213. The books and registers that a broker whose head office is not in Québec must keep include:

(1) copies of the primary registration registers in which are entered in chronological order the purchases and sales of securities allocated according to the markets on which the transactions were effected;

(2) copies of the customers' statements in which are entered for each separate account buy and sell transaction, securities received and delivered and any other transactions charged as debits or credits to the account;

(3) the registers prescribed in paragraphs 4, 5, 6 and 10 of section 212.

214. The books and registers that an adviser with unrestricted practice must keep include:

(1) a journal in which are entered in chronological order receipts and disbursements, and any other book for primary entry of transactions transferred to another book;

(2) a ledger of accounts operated under a management contract;

(3) management contracts made with its customers;

(4) a register in which are entered, for each customer, the buy and selling transactions, with the date of the transaction, the number of securities bought or sold and the price;

(5) a register in which is entered, for each security, the number of securities belonging to each customer.

CHAPTER VI**NOTICE TO THE COMMISSION**

215. A broker or an adviser must inform the Commission within ten days of:

- (1) a change of address of any of its establishments;
- (2) the end of the term of office of a director;
- (3) the termination of employment of a representative and the reason therefor.

216. In addition, a broker must inform the Commission within ten days of:

- (1) the opening or closing of an establishment located in Québec;
- (2) the appointment of a representative to be in charge of an establishment.

217. A representative must inform the Commission within ten days of:

- (1) any change of address;
- (2) the termination of his employment.

218. The following changes are subject to the approval of the Commission as prescribed in the second paragraph of section 159 of the Act:

- (1) the appointment of an officer;
- (2) a change affecting the volume or the conditions of the borrowings described in section 202;
- (3) the taking or strengthening of a major position.

A major position is defined as holding by one person of more than 10 % of the voting securities issued by the broker or the person who controls them. In calculating the percentage of securities held by a person, those that belong to associates must be added to the persons associated with it.

In the case where several persons intend to exercise together voting rights attached to securities issued by a broker or the person who controls them, each person is deemed to hold the percentage of the securities corresponding to the securities held by the aggregate of those persons.

219. Paragraph 2 of section 218 does not apply to members of a self-regulatory agency recognized by the Commission.

220. Issuer-distributors are exempted from the application of paragraphs 1 and 2 of section 215, and of sections 216 and 218.

CHAPTER VII**OPENING OF ACCOUNTS AND OBLIGATIONS TOWARD CUSTOMERS**

221. A broker in any category or an adviser with unrestricted practice must entrust to an officer who is a resident of Québec responsibility for opening accounts.

222. When an account is opened, a broker in any category or an adviser with unrestricted practice must complete a form containing the information prescribed by the general instructions of the Commission.

Where it applies, he must attach to the form the proxy by which the account holder authorizes a third party to place orders on his behalf.

223. Any transaction effected under a management contract must be approved in advance by an officer of the registered person.

224. An adviser with unrestricted practice may not have securities or cash belonging to his customers in his possession or keeping.

225. In his relations with his customers, a registered person is required to use the care that one might expect of an informed professional placed in the same circumstances.

226. A registered person acting under a management contract must avoid any transactions on behalf of a customer where his own interest might distort his judgment.

He must refrain from buying securities on behalf of a customer where he already owns some, where it is a best efforts underwriting or where a director or a representative of the registered person is a director of the issuer of those securities, unless he obtains his consent after informing him of that fact.

227. A registered person who makes a written recommendation to his customer to buy shares must explain to him the voting rights or the absence of such rights attached to the securities offered or proposed.

228. The Commission may determine, in its general instructions, the requirements for coverage, the procedures for settling transactions and other rules concerning customers' accounts.

229. A broker must send, upon request by a customer, the audited annual statement of its financial position for the preceding year drawn up in the form prescribed by Schedule XV as well as a list of its directors and officers or its partners prepared less than

30 days from the date of the request. The Commission may, on the conditions it determines, exempt a broker from the obligations imposed by this section.

230. An unrestricted practice adviser must describe the method of computing his remuneration when he applies for registration.

The remuneration is computed separately for each account in terms of the value of the portfolio or of its yield, but not on the value or the volume of the transactions.

231. In the case of a securities adviser, the declaration prescribed in section 166 of the Act must contain the following information:

(1) the number of securities of the investment recommended that the adviser holds;

(2) the number of securities of the same issuer, but of another class, held by the adviser;

(3) the options to buy or other rights held by the adviser in respect of the securities referred to in paragraphs 1 and 2;

(4) the remuneration to be received as a result of transactions in the securities recommended.

232. In the case of a securities broker, the declaration prescribed in section 166 of the Act must contain the following information:

(1) its participation, during the last twelve months, in the distribution of the securities recommended in the capacity of firm underwriter;

(2) its role as remunerated adviser of the issuer for the distribution of the securities recommended.

233. The confirmation slip prescribed in section 162 of the Act contains the following information:

(1) identification of the security;

(2) the number of securities;

(3) the unit price;

(4) the gross amount of the transaction;

(5) the commission and other charges;

(6) the net amount of the transaction;

(7) the date of the transaction;

(8) the settlement date;

(9) the name of the representative;

(10) the name of the stock exchange on which the order was executed;

(11) the capacity of agent or principal in which the broker carried out the transaction;

(12) the method of remuneration of the broker where he acts as principal;

(13) identification of non-voting shares or shares with restricted voting rights.

234. The name of the representative may be indicated in the confirmation slip by means of a code or a symbol provided that:

(1) the confirmation slip contains an agreement to supply the name of the representative on request;

(2) the broker maintains an up to date list of codes or symbols used and the representatives so designated, and files a copy of such list with the Commission on request.

235. Brokers must send to their customers the statement of account prescribed in section 162 of the Act at least quarterly, where there is a cash balance or a securities balance in the account.

In addition, they must send such statement at the end of every month during which the customer effected a transaction or the broker credited the customer's account with securities or cash, unless the entries refer to interest or dividends.

236. A broker who holds a restricted practice licence for incorporated mutual fund shares or for unincorporated mutual fund units or securities savings plans may fulfil the obligations prescribed by section 162 of the Act by sending to the customer, each time that a transaction is carried out on his behalf, a transaction notice drawn up similarly to the confirmation slip prescribed in section 233, but with the necessary changes, and showing the balance in the account.

237. The monthly or quarterly statement must give the following information:

(1) the designation and number of the securities kept on behalf of the customer;

(2) the cash balance;

(3) where applicable, the identification prescribed in paragraph 13 of section 233.

238. The monthly statement must also give the following information for each transaction carried out during the month:

(1) the designation of the security;

(2) the number of securities;

(3) the unit price;

(4) the amount of the transaction;

(5) the balance at the end of the month.

239. An adviser with unrestricted practice must send to his customers at least quarterly a statement of the securities in the portfolios that he is managing for them. The statement must contain, where applicable, the identification prescribed in paragraph 13 of section 233.

CHAPTER VIII TRANSACTIONS INTENDED TO FIX OR STABILIZE THE QUOTATIONS OF A SECURITY

240. A transaction effected by a specialist on the floor of a recognized stock exchange, the principal purpose of which is to establish buy and sell quotations, is exempted from application of sections 241 and 242 of this Regulation, provided that it is in compliance with the operating rules of the stock exchange.

241. Any transaction intended to fix or stabilize the quotations of a security is prohibited except where, it is effected by a broker other than the issuer, at the time of a distribution and in accordance with the following conditions:

(1) the transaction is effected at a quotation that is not higher than the bid price of the securities distributed;

(2) the broker who effects the transaction does not have priority over another person who wishes to buy at the same price;

(3) the transaction is not effected on a security being distributed during a distribution made through the agency of a recognized stock exchange;

(4) the transaction is not effected on securities of the offeror or those offered by the offeror during a take-over bid by way of exchange.

242. A broker who intends to effect transactions intended to fix or stabilize the quotations of a security must make the following declaration in the prospectus:

"The firm underwriters may assign surplus securities from the issue or execute transactions intended to fix or stabilize quotations of the security at a higher level than the quotation that would exist on a free market. These transactions may be begun or interrupted at any time during the distribution."

CHAPTER IX OPERATING RULES FOR THE UNLISTED MARKET

243. A recognized securities clearing house in accordance with section 169 of the Act draws up rules of operation for the unlisted market that must be approved by the Commission.

244. The Commission must hold a public hearing before approving the rules of operation for the unlisted market drawn up by the clearing house.

245. A registered broker is required to send daily to the clearing house details of over-the-counter transactions in stocks or rights.

246. The clearing house must keep a register of over-the-counter transactions and must distribute a weekly report to brokers, giving for each security the volume and the range for the quotations. In the case of securities that have not traded during the week, the report must indicate the price, the number of securities and the date of the last trade.

247. The clearing house must send to the media designated by the Commission a daily statement of over-the-counter transactions.

The statement must include the name of the issuer, the volume and the range of the quotations.

It must send a copy of the statement to the Commission.

248. The clearing house may charge fees to participating brokers at rates approved by the Commission.

249. The Commission determines the date of coming into force of this Chapter or of particular sections of it.

TITLE VI ADMINISTRATION OF THE ACT

CHAPTER I CODE OF ETHICS

DIVISION I GENERAL RULES

250. The following rules apply to members of the Commission and to members of its staff. They are forbidden to:

(1) accept remuneration or gratuities, except a gift of modest value, for acting as speaker or as member of a panel, or for drafting a document where it is directly related to their duties;

(2) perform any other paid function after opening hours;

(3) be directors and officers of a company that has made a public offering in Québec or a company registered under the Act;

(4) be shareholders of a company registered in accordance with Title V of the Act, unless the Commission decides otherwise;

(5) execute transactions on term contracts;

(6) sell securities short;

(7) buy securities on margin;

(8) execute transactions on securities that are being investigated by the Commission;

(9) except in the case of securities eligible for a stock savings plan or a tax abatement programme, or of units of an incorporated mutual fund or an unincorporated mutual fund, buy or subscribe for securities that are distributed within 60 days following receipt of a final prospectus;

(10) buy, subscribe or sell securities in respect of which a document has been filed and is being studied by the Commission or in respect of which an application has been made for a decision prescribed by the Act;

(11) buy, subscribe for or sell securities in respect of which a take-over bid has been made, from the time when that fact is known to the Commission to the time when it is made public by the offeror;

(12) buy a security defined as "speculative" in a prospectus filed with the Commission, except where it is a security referred to in paragraph 9.

251. A member or staff member who wishes to execute a transaction on a security has an obligation to make sure that he does not contravene paragraphs 8 to 12 of section 250.

252. A security bought or subscribed must be kept for a minimum of three months from the date of the transaction, except for a security placed in a stock savings plan or obtained under a dividend reinvestment plan or received in a stock dividend distribution.

253. Within five days following a securities transaction, a declaration must be sent to the president.

254. The declaration must contain the following information:

- (1) the name of the agent;
- (2) the description of the security;
- (3) the number of securities bought or sold;
- (4) the date of the transaction;
- (5) the amount of the transaction.

In the case of securities acquired within a stock savings plan, it is not necessary to give the number of securities.

255. A report giving a statement of the portfolio must be sent to the president at the end of each calendar year. This report is confidential, except where the Commission decides otherwise.

The president's report is sent to the Minister.

256. At the time when he assumes his duties, a member of the Commission or a staff member must give the president a report describing his portfolio.

The president may require that a member of the Commission or a staff member dispose of certain securities within a set period.

DIVISION II RULES APPLYING TO MEMBERS OF THE COMMISSION

257. A member of the Commission is also forbidden to:

(1) solicit or accept for himself or for other persons benefits conferred on him owing to his position;

(2) use for personal reasons or for the purpose of obtaining an advantage information which he has obtained in the exercise of his duties.

258. The sole penalties for a breach of a rule are a reprimand or a suspension.

A suspension imposed under this Regulation may not exceed two months.

In certain cases, the president may recommend to the Minister that an inquiry be made in accordance with section 282 of the Act.

DIVISION III RULES APPLYING TO STAFF MEMBERS

259. Staff members are forbidden to publish a text or participate in an interview on questions concerning the administration, unless prior permission is obtained from the president of the Commission.

260. The sole penalties for a breach of a rule are a reprimand, a suspension or a discharge.

DIVISION IV RULES APPLYING TO PERSONS EMPLOYED ON A TEMPORARY BASIS

261. Paragraphs 1, 3 and 5 to 12 of section 250, sections 251 to 254, the 1st paragraph of section 256, sections 257, 259 and 260 apply to persons who are not members of the civil service and who are employed on a temporary basis, *mutatis mutandis*.

DIVISION V EXEMPTIONS

262. Paragraph 2 of section 250 does not apply to a member of the Commission who carries out his duties part time.

263. The president or the ultimate superior may authorize a derogation from the rule referred to in paragraph 2 of section 250.

264. This Title does not apply to the forms of investment referred to in section 3 of the Act nor to the exercise of a right obtained from a security owned by a member of the Commission or a member of the Commission's staff.

CHAPTER II FEES

265. The following fees are payable by persons who intend to distribute securities:

(1) at the time of an application prescribed by section 11, 12 or 20 of the Act concerning the receipt of a prospectus, or of a preliminary prospectus, 500 \$;

(2) at the time of the filing of the report prescribed by section 91 of the Regulation respecting securities distributed in Québec by means of a prospectus, 0.01 % of the value of such securities, less the fee prescribed in paragraph 1;

(3) at the time of the filing of the notice or the disclosure prescribed in Division II of Chapter II of Title II of the Act respecting exemptions from the requirement of a prospectus owing to the nature of the investment, 0.005 % of the value of the securities distributed in Québec, subject to a minimum of 100 \$;

(4) at the time of the filing of a change in the prospectus prescribed by section 27 of the Act, 25 \$.

266. The following fees are payable by a reporting issuer:

(1) at the time of the filing of the annual financial statements prescribed by section 75 of the Act, 0.005 % of the net value at the end of the fiscal year, subject to a minimum of 50 \$ and a maximum of 250 \$;

(2) at the time of an application prescribed in section 69 of the Act to cancel the status of reporting issuer or to release it entirely or in part from the obligations of continuous disclosure, 100 \$;

(3) at the time of an application prescribed in section 79 of the Act to exempt it from submitting in the financial statements any disclosure that should normally be made there, 100 \$.

267. The following fees are payable by the offeror of a bid:

(1) at the time of the filing of the bid and of the disclosure prescribed in section 118 of the Act, 250 \$;

(2) at the time of the filing of the document prescribed in section 132 of the Act respecting a change in the original terms of the bid or a significant change in the facts on which the disclosure is based, 25 \$.

268. The following fees are payable by a broker or a securities adviser:

(1) at the time of an application for registration prescribed in section 148 of the Act, 300 \$;

(2) at the time of the filing of the annual financial statements prescribed in section 158 of the Act, 300 \$ plus 110 \$ for each representative who was registered during the last fiscal year;

(3) at the time of a notice prescribed in section 218 of the Regulation respecting a change in the disclosure made at the time of registration, 25 \$.

269. The following fees are payable by the person applying:

(1) at the time of an application for exemption prescribed in section 263 of the Act respecting all or part of the obligations prescribed by Titles II to VI of the Act or by regulation, 100 \$;

(2) at the time of an application for attestation prescribed in section 71 of the Act regarding the position of a reporting issuer, 100 \$;

(3) at the time of a request for a copy of a document, 50 ¢ a page.

TITLE VII SPECIAL RULES RESPECTING UNINCORPORATED MUTUAL FUNDS, INCORPORATED MUTUAL FUNDS AND SECURITIES SAVINGS PLANS

CHAPTER I RIGHT OF CANCELLATION

270. Any person who subscribes to a securities savings plan may unilaterally cancel his subscription: it is sufficient to send the broker a notice to that effect in the 60 days following receipt of the transaction notice prescribed in section 236 respecting the first payment.

271. A subscriber may recover the amounts paid up to the time when he exercises his right to cancellation.

272. However, in the case of unincorporated mutual funds and incorporated mutual funds, the sum that may

be recovered does not exceed the break-up value of the shares or units subscribed at the time the right to cancellation is exercised.

In addition, the broker must remit to the subscriber the commissions and subscription fees he has paid.

273. The recipient is deemed to have received the notice of a transaction or the notice of cancellation sent by mail within the normal period of delivery.

274. A subscriber may also terminate his savings plan at any time after the time limit prescribed in section 270. The amounts that may then be recovered are established by the Commission.

CHAPTER II RULES OF OPERATION RESPECTING THE MANAGEMENT, KEEPING AND COMPOSITION OF ASSETS IN INCORPORATED MUTUAL FUNDS AND UNINCORPORATED MUTUAL FUNDS

275. Any material change in the management, the investment policy of keeping of the assets of an incorporated mutual fund or an unincorporated mutual fund requires the approval of the Commission.

276. The Commission may refuse to approve a change that would give a preponderant influence over the management company of an incorporated mutual fund or an unincorporated mutual fund to persons who do not have the competence or the integrity required to protect the investors.

277. Unless otherwise decided by the Commission, the depository of the assets of an incorporated mutual fund or an unincorporated mutual fund is a bank governed by the Bank Act (S.C. 1980-81-82, c. C-40), a trust company registered in accordance with the Trust Companies Act (R.S.Q., c. C-41) or a subsidiary of those persons.

278. The trustees or the management company of an incorporated mutual fund or an unincorporated mutual fund must obtain, at a meeting, the approval of the holders where there is:

- (1) a material change in the management contract;
- (2) the replacement of the advisor company by a person not affiliated with it;
- (3) a material change in the investment policy;
- (4) a change of auditor.

279. An incorporated mutual fund or an unincorporated mutual fund is forbidden to invest in another incorporated mutual fund or another unincorporated mutual fund unless:

(1) the fund or the company whose securities are to be purchased has obtained the receipt prescribed in section 11 of the Act;

(2) the contract with the fund or the company prescribes that the subscription and management charges are levied only once and the prospectus so states.

280. An incorporated mutual fund or an unincorporated mutual fund may borrow only where the following conditions are met:

- (1) the loan does not exceed 5 % of the net assets;
- (2) it is intended to deal temporarily with the redemption of units or shares.

However, in the case of a fund or a company that invests more than 50 % of its equity in mortgages the percentage prescribed in subparagraph 1 is raised to 10 %.

281. An incorporated mutual fund or an unincorporated mutual fund may not:

(1) invest more than 10 % of its total assets, computed at the market value at the time of the transaction, in the securities of another issuer;

(2) purchase more than 10 % of any class of securities of an issuer.

However, these restrictions do not apply to the following securities:

(1) debt securities issued or guaranteed by the Government of Québec, the Government of Canada, or of a province of Canada;

(2) commercial paper or deposit certificates issued or guaranteed by a bank whose securities are listed on a stock exchange recognized for that purpose.

282. The net assets, computed at the market value, of an incorporated mutual fund or an unincorporated mutual fund must at any time be composed to at least 90 % of readily negotiable securities or of cash.

"Readily negotiable securities" means: a freely transferable security listed on a stock exchange or that is regularly bought and sold in an organized market and of which the quotations are regularly published.

283. For the application of section 282, readily negotiable securities may be replaced by assets whose resale is not subject to any restrictions and that may easily be resold at a price equal to the estimated value determined for computing the break-up value.

An asset does not meet that criterion solely from the fact that a person associated with the fund or the company has agreed to redeem it.

284. In the case of an incorporated mutual fund or an unincorporated mutual fund that invests more than 50% of its equity in mortgages, the Commission determines the liquidity requirements to be applied instead of those prescribed in sections 282 and 283.

285. In appraising the portfolio of an incorporated mutual fund or an unincorporated mutual fund, the rate of reduction obtained in the purchase must be applied to the appraisal of the securities whose resale is subject to restrictions until the restrictions are lifted. However, the gradual taking into account of the actual value is permitted where the date on which the restrictions will be lifted is known.

286. By derogation from section 230, the adviser of an incorporated mutual fund or an unincorporated mutual fund may not compute his remuneration in terms of the return on the portfolio of the fund or the company unless the Commission so authorizes, on the conditions set by it.

287. The price at which the securities of an incorporated mutual fund or an unincorporated mutual fund are offered for subscription or redeemed is established at the date of the first appraisal following receipt of the subscription or the request for redemption.

288. An incorporated mutual fund or an unincorporated mutual fund may refuse the subscription for units or shares in so far as such right is mentioned in the prospectus.

In such case, the fund or the company must convey its decision to the subscriber within two days following receipt of the subscription and must immediately return the sum subscribed.

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SCHEDULE I PROSPECTUS

Item 1:

Distribution spread:

The information concerning the distribution spread is given in tabular form on the first page of the prospectus.

DISTRIBUTION SPREAD

	Price to public	Broker's consideration	Net proceeds from distribution
Per unit			
Total			

Instructions

1. Any consideration other than a discount or a commission in cash must be indicated by means of a reference following the table.

2. The table should set out separately those securities which are underwritten, those under option and those to be sold on a "best efforts" basis.

3. If it is impracticable to state the offering price, the method by which it is to be determined must be explained. If the activities are to be offered at the market, indicate the market involved and the market price.

4. If any of the securities are offered for the account of existing security holders, refer on the first page to the information called for by paragraph 4 of item 26. State the portion of the expenses of distribution to be borne by the security holder.

For a natural resource company, the security holder's commitment not to offer its securities before the issuer's securities have been distributed must be added.

5. If debt securities are to be offered at a premium or a discount, state in bold face type the effective yield if held to maturity.

ITEM 2:

Plan of distribution:

1. If all or part of the securities being offered are to be sold through underwriters, give the name of the underwriter and state his obligation to take up and pay for the securities. Indicate the date by which the underwriter is to purchase the securities.

2. Outline briefly any other plan of distribution. Where there is a "best efforts" offering, indicate, where practicable, on the first page the minimum amount, if any, required to be raised, and also indicate, where practicable, the maximum amount that could be raised and the latest date that the offering is to remain open.

3. For a natural resource company, describe the options given by the issuer or any of its subsidiaries, or the options proposed to be given.

Instructions:

All that is required as to the nature of the underwriters' obligation is whether the underwriters are or will be committed to take up and pay for all of the securities if any are taken up, or whether the underwriting is merely a "best efforts" arrangement under which the underwriters are required to take up and pay for only such securities as they may sell.

1. Where an underwriting is subject to a market out clause, a statement to that effect should be made, as set out in the following sample:

"Under an agreement dated 19..... between the company and as the company has agreed to sell and has agreed to purchase on 19..... the at a price of \$..... payable in cash to the company against delivery. The obligations of under the agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. is, however, obligated to take up and pay for all of the if any of the are purchased under the agreement."

2. For a natural resource company, describe the options, stating the material provisions including:

(1) the designation and number of the securities called for by such options;

(2) the purchase prices of the securities called for and the expiration dates of such options; and

(3) the market value of the securities called for by such options as of the latest practicable date.

Item 3:

Market for securities:

Where no market exists, or will exist after the distribution, state in bold face type on the first page:

"There is no market through which these securities may be sold."

Disclose how the price paid to the company was established, whether by negotiation with the underwriter, arbitrarily by the company, or otherwise.

Item 4:

Summary of prospectus:

Give a synopsis near the beginning of the prospectus of the information contained in the body of the prospectus which would be most likely to influence the investor's decision to purchase the security.

Instructions

1. This summary should highlight in condensed form the information, both favourable and adverse, including risk factors in Item 10, about both the issuer and the securities.

2. Appropriate cross references may be made to items in the prospectus where information is difficult to summarize accurately, but this shall not detract from the necessity to have the salient points summarized in the summary.

Item 5:

Use of net proceeds from distribution

1. State the estimated net proceeds to be derived by the issuer from the sale of the securities to be offered, the principal purposes for which the net proceeds are intended to be used and the approximate amount intended to be used for each purpose.

2. State the particulars of any arrangements made for holding any part of the net proceeds of the issue in trust or subject to the fulfilment of any conditions.

Instructions

1. Statements as to the principal purposes to which the proceeds are to be applied are to be reasonably specific. The phrase "for general corporate purposes" is, in most cases, not sufficient.

For a natural resource company, specify whether unallocated funds will be placed in a trust or escrow account, invested or added to the working capital of the issuer. Give details of the arrangements made for, and the persons responsible for the supervision of the trust or escrow account or the investments of unallocated funds and the investment policy to be followed. Where unallocated funds are to be added to working capital, indicate the reason for doing so.

2. Include a statement regarding the proposed use of the actual proceeds if they should prove insufficient to accomplish the purposes set out, and the order of priority in which they will be applied. However, the

statement need not be made in the case of a firm underwriting.

3. If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds. If any material part of the proceeds is to be used to reduce or retire indebtedness, specify the use made of the proceeds of that indebtedness if the indebtedness was incurred within the 2 preceding years.

4. If any material amount of the proceeds is to be used to acquire assets, otherwise than in the ordinary course of business, briefly describe the assets, and the particulars of the purchase price being paid for or being allocated to the respective categories of assets. State the cost of the assets to the issuer and the principle followed in determining the cost. State briefly the nature of the title to or interest in the assets to be acquired by the issuer. If any part of the consideration for the acquisition of any of the assets consists of securities of the issuer, give full particulars of any allotment or issuance of any such securities within the 2 preceding years.

Item 6:

Sales otherwise than for cash

If any of the securities being offered are to be offered otherwise than for cash, give full particulars on the terms of payment.

Instructions:

If the offer is to be made pursuant to a plan of acquisition, describe briefly the general effect of the plan and state when it became or is to become operative.

Item 7:

Capital structure

Furnish, in tabular form, and where appropriate in notes thereto, the following information:

(1) particulars of the share and loan capital of the issuer;

(2) particulars of the loan capital of each subsidiary of the issuer (other than loan capital owned by the issuer or its wholly-owned subsidiaries) whose financial statements are contained in the prospectus on either a consolidated or individual basis;

(3) the aggregate amount of the minority interest in the preference shares, if any, and the aggregate amount of the minority interest in the common shares and surplus of all subsidiaries whose financial statements are contained in the prospectus on a consolidated basis;

(4) the information required under paragraph 3 for subsidiaries whose financial statements are contained in the prospectus on an individual basis;

(5) for a credit company, any potential dilution of the assets per share and earnings per share, giving effect to the current issue and to all existing options, warrants and conversion rights in relation to any capital security of the credit company.

CAPITAL STRUCTURE

Designation of security	Amount authorized or to be authorized	Amount outstanding as of the date of the most recent balance sheet	Amount outstanding as of a specific date within 30 days	Amount outstanding if all securities being issued are sold
-------------------------	---------------------------------------	--------------------------------------------------------------------	---------------------------------------------------------	------------------------------------------------------------

Instructions

1. Include all indebtedness for borrowed money for which a written understanding exists that the indebtedness may extend beyond one year. Do not include other indebtedness classified as current liabilities unless secured.

2. Individual items of indebtedness which are not in excess of 3% of total assets as shown in the balance sheet referred to in Column 3 may be set out in a single aggregate amount under an appropriate caption such as "Sundry Indebtedness".

3. Include in the table the amount of obligations under financial leases capitalized in accordance with generally accepted accounting principles. Set out in a note to the table a cross reference to any note in the financial statements containing information concerning the extent of obligations arising by virtue of other leases on real property.

4. Give particulars of the amount, general description of and security for any substantial indebtedness proposed to be created or assumed by the issuer or its subsidiaries.

5. Where practicable, state in general terms the respective priorities of the indebtedness.

6. No information need be given under Column 2 with respect to the capital stock of subsidiaries.

7. Set out in a note to the table:

(1) the amount of contributed surplus and retained earnings as of the date of the most recent balance sheet contained in the prospectus;

(2) the number of shares subject to rights, options and warrants.

8. The 30-day period referred to in Column 4 is to be calculated within 30 days of the date of the preliminary prospectus or the date of the pro forma prospectus. Where more than 30 days have elapsed from the date of the preliminary or pro forma prospectus, the information included in the prospectus shall, if feasible, be updated to a date within 30 days of the final prospectus.

9. For a credit company, where short term notes are issued on an agency basis, the information required in Column 5 may be omitted with the consent of the Commission.

10. For a credit company, where the amount outstanding as of a specific date within the 30-day period prescribed in paragraph 8 cannot be precisely calculated, an estimated figure should be used, with a note indicating the basis of calculation.

Item 8:

Name and incorporation of issuer

State the name of the issuer, the address of its head office, the Act under which the issuer was incorporated and the date of incorporation. Set out any material amendments to its deed of incorporation.

Item 9:

Operations of the issuer:

(A) Manufacturing and service industries

Briefly describe the business carried on and intended to be carried on by the issuer and its subsidiaries and the general development of the business over the last 5 years. If the business consists of the production or distribution of products or the rendering of services, indicate the principal products or services.

Instructions:

1. The description does not relate to the powers and objects specified in the incorporating instruments, but to the actual business carried on and intended to be carried on. Include the business of subsidiaries of the issuer only in so far as is necessary to understand the character and development of the business conducted by the combined enterprise.

2. In the general description, give information on matters such as the following concerning the issuer or its subsidiaries:

(1) bankruptcy, sequestration or similar proceedings;

(2) material reorganization;

(3) the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business;

(4) material changes in the types of products produced or services rendered;

(5) any material change in the mode of conducting the business.

(B) Credit companies

1. Briefly describe the business carried on and intended to be carried on by the issuer and its subsidiaries and the general development of the business in the 5 preceding years, and fill out the following table:

Separate operation in which a material proportion of assets are invested or from which a material proportion of gross revenues are derived	Percentage of consolidated assets of the issuer and its subsidiaries, at book value, devoted to that operation as of the date of last balance sheet	Percentage of the consolidated gross revenues of the issuer and its subsidiaries derived from that operation as of the date of the last balance sheet
--------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------

1. Credit company services
2. Other services
3. Distribution
4. Production
5. Real estate development
6. Investment in securities of companies other than subsidiaries
7. Other

2. If the issuer has carried on any business other than that of a credit company during the past 5 years, state the nature of such other business and give the approximate date on which the issuer commenced to operate principally as a credit company. If the issuer's name was changed during the period, state its former name and the date on which the name was changed.

3. If during the past 2 years, any affiliate or associate of the issuer had any interest in a transaction involving the purchase of any substantial amount of assets held by the issuer or any of its subsidiaries, describe the nature of the interest and state the cost of the assets to the purchaser and to the seller.

4. Where a material proportion of the consolidated assets or gross revenues of the issuer is invested in, or is derived from immoveables, state briefly the location and general character of the immoveables. If any of these immoveables are subject to a real right, briefly describe the nature of the real right.

5. Where the primary business of the issuer, or of any subsidiary or affiliate, is investing or trading in securities, give the name of the company carrying on that business along with the following information:

(1) a brief outline of its corporate history and structure since its incorporation;

(2) a description of the present and proposed policy of the issuer with respect to each of the following types of activities, outlining the extent, if any, to which the issuer has engaged in such activities during the last 5 years and indicating which of such policies may not be changed without the consent of the shareholders:

(a) the issuance of securities other than the securities offered;

(b) the borrowing of money;

(c) the firm underwriting of securities;

(d) the concentration of investments in a particular class or kind of industry;

(e) the purchase and sale of immoveables;

(f) the purchase and sale of commodities or commodity future contracts;

(g) the making of loans, whether secured or unsecured, (other than the subscription or acquisition of debt securities for investment);

(h) any other policy which the issuer deems fundamental;

(3) a description of the investment policy of the issuer on each of the following matters not described in paragraph 2, indicating which of these investment policies may not be changed without the consent of shareholders:

(a) the type of securities in which it may invest, indicating the proportion of the assets which may be invested in each such type of security;

(b) the percentage of assets which it may invest in the securities of any one company;

(c) the percentage of securities of any one company which it may acquire;

(d) investment in securities of companies for the purpose of exercising control or management;

(e) investment in securities of mutual fund companies or investment companies; and

(f) any other investment policy described in the issuer's instruments of incorporation or by-laws or regulations.

Instructions:

1. The description shall not relate to the powers and objects specified in the incorporating instruments,

but to the actual business carried on and intended to be carried on. Include the business of subsidiaries of the issuer only in so far as is necessary to understand the character and development of the business conducted by the combined enterprise.

2. Outline material facts essential to an investor's appraisal of the securities being offered. Where applicable, give the necessary information on the facilities used in the enterprise, without giving a detailed description of each immovable.

3. In describing developments, give, with respect to the issuer or its subsidiaries, information on matters such as:

- (1) bankruptcy, sequestration or similar proceedings;
- (2) material reorganization;
- (3) material changes in the mode of conducting the business.

4. In answering paragraph 3, transactions between the issuer and a wholly-owned subsidiary need not be disclosed.

5. Indicate who or what group of persons is responsible for investment decisions, the granting of loans, and the establishing of bad-debt allowances.

6. Indicate whether the approval of the board of directors is required for loans and acquisitions.

7. Instruction 1 of Item 35 applies to this item with due alteration for points of detail.

(C) Natural resource companies

1. Briefly describe the business carried on and intended to be carried on by the issuer and its subsidiaries and the general development of the business within the 5 preceding years.

2. In the case of a company other than an oil or gas company, furnish the following information as to each of the properties, mines, and plants presently owned, leased or held under option, or presently intended to be owned, leased or held under option by the issuer or its subsidiaries:

- (1) the location of, size of and means of access to the property;
- (2) a brief description of the title, claim or lease under which the issuer or subsidiary has or will have the right to hold or operate the property, indicating any conditions which the issuer or subsidiary must meet in order to obtain or retain the property;
- (3) (a) the names and addresses of all vendors of property purchased within the 3 years immediately preceding the date of the preliminary prospectus or the

date of the pro forma prospectus and the property acquired from each and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so indicate; and

(b) the names and addresses of every person who has received within the 3 years immediately preceding the date of the preliminary prospectus, or pro forma prospectus, or is to receive from any vendor a greater than 5 per cent interest in the shares or other consideration received or to be received by the vendor;

(4) a brief history of previous prospecting, exploration, development and operations, including the names of previous operators, in so far as known;

(5) a brief description of any underground and surface installations and any underground and surface exploration and development;

(6) a brief description of the mineral deposits; if the work done has established the existence of reserves of proven, probable or possible ore, state:

(a) the estimated tonnage and grade of each such class of ore reserves; and

(b) the name of the person making the estimates and the nature of his relationship to the issuer;

(7) describe the work already done under present management, as well as the proposed programme of exploration or development; if the property is without a known body of commercial ore and the proposed programme is an exploratory search for ore, a statement to that effect must be made.

3. In the case of an oil or gas company furnish the following information as to the important properties and installations presently owned, leased or held under option, or presently intended to be owned, leased or held under option by the issuer or its subsidiaries:

(1) the location, by fields, of all producing wells and all non-utilized wells capable of producing, in which the issuer or its subsidiaries have an interest, indicating the total number of wells in each such field or other area, the interest of the issuer and its subsidiaries therein, distinguishing separately oil wells and gas wells;

(2) with respect to interests in properties on which no producing wells have been drilled, the gross acreage in which the issuer or its subsidiaries have an interest and the interest of the issuer and its subsidiaries therein expressed in terms of net leasable acreage, and the location of such acreage by geographical area;

(3) describe any proposed exploration or development work and give the general nature and extent of such work;

(4) to the extent that such properties are not unitized and are capable of but are not producing, indicate the proximity of such properties to pipe lines or other means of transportation;

(5) the quantity and type of the estimated proved and developed reserves, proved undeveloped reserves, and probable additional reserves of crude oil, natural gas and natural gas liquids of the issuer and its subsidiaries together with particulars as to the accessibility of those reserves to gathering systems;

(6) the net crude oil, natural gas liquids and natural gas production, including the interest of the issuer and its subsidiaries in the crude oil, natural gas liquids and natural gas production of any other person, for each of the last 5 financial years preceding the date of the preliminary prospectus or pro forma prospectus, and for the current year at a date not more than 4 months prior to that date;

(7) (a) the number of wells the issuer or its subsidiaries have drilled or have participated in the drilling of for each of the last 5 financial years preceding the date of the preliminary prospectus or pro forma prospectus;

(b) the number of wells completed as producing wells and as dry holes at a date not more than 4 months prior to the date of the preliminary prospectus or pro forma prospectus;

(c) the amount expended on drilling and exploration activities during the period set out in *a* and *b*;

(8) (a) if any properties of the issuer or its subsidiaries were acquired within the 3 years immediately preceding the date of the preliminary prospectus or pro forma prospectus or are intended to be acquired by the issuer or subsidiary from an insider or promoter of the issuer or an associate or affiliate of any insider or promoter; state the name and address of each such transferor, the relationship of each such transferor to the issuer or its subsidiaries and the consideration paid or intended to be paid to each such transferor; and

(b) the names and addresses of every person who has received or is to receive greater than 5 per cent interest in the consideration referred to in *a*.

Instructions:

1. The description called for by paragraph 1 does not relate to the powers and objects specified in the incorporating instruments, but to the actual business carried on and intended to be carried on. Include the business of subsidiaries of the issuer only in so far as is necessary to understand the character and development of the business conducted by the combined enterprise.

2. In describing developments, give, with respect to the issuer or its subsidiaries, information on matters such as:

(1) bankruptcy, sequestration or similar proceedings;

(2) material reorganization;

(3) the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business;

(4) any material changes in the types of products produced or services rendered; and

(5) any material changes in the mode of conducting the business.

3. The information called for by paragraph 2 shall only be given with respect to the properties on which all or part of the proceeds of the issue are to be expended or which are major producing properties. Information with respect to the other properties must be given in summary form.

4. The information required by subparagraph 6 of paragraph 2 and subparagraph 5 of paragraph 3 may be given in reliance upon the report relating to such property required to be filed with the Commission.

5. In giving the information required by subparagraphs 1 and 2 of paragraph 3, include all ownership interests including leasehold interests, royalty interests and interests in reservation.

Item 10:

Risk factors:

1. Where appropriate, set out the risk factors and speculative nature of the enterprise or the securities being offered on the first page or in the summary of the prospectus. This information may be given in the body of the prospectus if an appropriate reference is made on the first page or in the summary of the prospectus.

Include the following information:

(1) the pro forma dilution of the securities offered based on net tangible assets;

(2) a comparison, in percentage of the securities being offered for cash and those issued or to be issued to promoters, directors, officers, substantial security holders and underwriters for cash, property and services.

For a natural resource company, state, where applicable, whether there is little or no probability of profit or of resale of the shares purchased.

2. Where there is a risk that purchasers of the securities offered may become liable to make an additional contribution beyond the price of the security.

disclose any information or facts that may bear on the security holder's assessment of risk associated with the investment.

Item 11:
Acquisitions and dispositions:

Briefly describe all material acquisitions and dispositions whether of shares or assets by the issuer and its subsidiaries during the past 2 years and to the extent reasonably practicable, the impact of these acquisitions or dispositions on the operating results and financial position of the issuer.

Item 12:
Description of immoveables:

In the case of manufacturing or service industries, briefly describe the principal immoveables of the issuer and its subsidiaries. If any of these immoveables are held subject to a real right, so state and briefly describe the real right.

Instructions:

What is required is information essential to an investor's appraisal of the securities being offered. This item does not apply to a bank referred to in section 4 of the Regulation.

Item 13:
Variations in operating results:

Explain to the extent reasonably practicable any substantial variations, both favourable and adverse, in the operating results of the issuer over the last 3 years, or over a longer period where required or allowed by the Commission.

Item 14:
Asset and earnings coverage:

Disclose asset and earnings coverage where required by section 40 of the Regulation.

Item 15:
Promoters:

If any person is or has been a promoter of the issuer or of any of its subsidiaries within the 5 preceding years, furnish the following information:

(1) the name of the promoter, the nature and amount of any consideration received or to be received from the issuer or any of its subsidiaries;

(2) the nature and amount of any assets, services or other consideration received or to be received by the issuer or its subsidiaries from the promoter;

(3) where any assets have been acquired within the past 2 years or are to be acquired by the issuer or by any of its subsidiaries from a promoter, state the price of acquisition and the principle followed in determining the amount. Identify the person making the determination and state his relationship, if any, with the issuer, any subsidiary or any promoter. Give the date on which the assets were acquired by the promoter and their cost.

Item 16:
Legal proceedings:

Briefly describe any legal proceedings material to the issuer to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject.

Instruction:

Include the name of the court or agency, the date instituted, the principal parties thereto, the nature of the claim, the amount claimed, if any, whether the proceedings are being contested, and the present status of the proceedings.

Item 17:
Issuance of shares:

1. Describe the shares being offered, giving in particular the following information:

- (1) dividend rights;
- (2) voting rights;
- (3) liquidation or distribution rights;
- (4) pre-emptive rights;
- (5) conversion rights;
- (6) redemption, purchase for cancellation or surrender provisions;
- (7) sinking or purchase fund provisions;
- (8) liability to further calls or to assessment by the issuer; and
- (9) provisions as to modification, amendment or variation of any such rights or provisions.

2. If the rights of holders of such shares may be modified otherwise than in accordance with the provisions attaching to such shares or the provisions of the governing Act relating thereto, so state and explain briefly.

3. Where non-voting or limited voting shares (other than preferred shares) are issued or where securities convertible into non-voting or limited voting shares are issued, comply with the following provisions:

(1) state clearly on the first page of the prospectus that the shares being offered are non-voting or limited voting shares, and, where applicable, that the securities being offered cannot be filed in response to a take-over bid;

(2) describe clearly in the prospectus the rights attaching to the securities being offered and to any other class of shares;

(3) where an issuer is not registered on a recognized stock exchange, that issuer undertakes to send all future security holders the same information as that sent to holders of voting securities and to convene them to any general, ordinary or special meeting of shareholders.

Instructions:

1. This item requires only a brief summary of the provisions that are material from an investment standpoint. Do not set out verbatim the provisions attaching to the shares.

2. If the rights attaching to the shares being offered are materially limited or qualified by the rights of any other class of securities, or if any other class of securities (other than bonds covered in Item 18), ranks ahead of or equally with the shares being offered, include information regarding such other securities that will enable investors to understand the rights attaching to the shares being offered. If any shares being offered are to be offered in exchange for other securities, an appropriate description of the other securities shall be given. No information need be given, however, as to any class of securities that is to be redeemed or otherwise retired, provided appropriate steps to assure redemption or retirement have been or will be taken prior to or contemporaneously with the delivery of the shares being offered.

3. The issuer may set out verbatim in a schedule to the prospectus the provisions attaching to the shares being offered.

4. The issuer is not required to state that the securities being offered cannot be filed in response to a take-over bid where its incorporating instruments contain provisions regarding the convertibility of its non-voting or limited voting shares at the time of a take-over bid.

Item 18:

Issuance of bonds:

Describe the bonds being offered and their guarantees, giving in particular the following information:

(1) the interest rate, maturity, redemption or other retirement, sinking fund and conversion rights;

(2) the nature and priority of any guarantee, briefly identifying the principal properties assigned as guarantee;

(3) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative obligations (including restrictions against payment of dividends, restrictions against giving security on the assets of the issuer or its subsidiaries) and provisions as to the release or substitution of assets securing the obligations, the modification of the terms of the security and similar provisions;

(4) the name of the trustee under any trust deed relating to the obligations and the nature of any material relationship between the trustee and the issuer or any of its affiliates;

(5) indicate any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

Item 19:

Issuance of other securities:

If securities other than shares or bonds are being offered, outline briefly the rights evidenced thereby. If subscription warrants or rights are being offered or issued, state the description and amount of securities covered thereby, the period during which, and the price at which, the warrants or rights are exercisable, and the principal terms and conditions by which they may be exercised.

Instructions:

Follow the instructions in Item 17 with due alteration for points of detail.

Item 20:

Dividend record:

State the amount of dividends or other distributions, if any, paid by the issuer during its last 5 completed financial years preceding the date of the preliminary prospectus or pro forma prospectus.

Item 21:

Directors and officers:

List the names and addresses of all the directors and officers of the issuer and indicate all positions and offices with the issuer held by each of them within the 5 preceding years. Alternatively, solely the place of residence or the postal address may be given, but the Commission may then ask that the address in full be given.

For a bank, the information required in this item is given only for persons holding the following positions and offices or analogous positions and offices: the chairman of the board of directors, the vice-chairman of the board of directors and his assistant, the president, the executive vice-president, the chief executive officer, the chief of operations, the chief general manager, the secretary, the chief accountant, the comptroller and the general consultant.

Instructions:

Where the principal occupation of a director or officer is that of an officer of a company other than the issuer, state the principal business in which such company is engaged.

Item 22:

Directors' and officers' remuneration:

1. The information to be provided on directors' and officers' remuneration includes:

(1) the aggregate remuneration of directors and officers with the exception of the remuneration of directors;

(2) the aggregate remuneration of directors in their capacity as directors.

2. The remuneration in question includes the amounts and benefits granted to its directors and officers, during the last fiscal year, by the reporting issuer itself or by its affiliates, whether or not the amounts and benefits have been paid or are simply attributed to directors and officers.

It is presented in accordance with the following table, with the exception of options and subscription rights or warrants that are noted in the table.

TABLE OF REMUNERATION OF DIRECTORS AND OFFICERS

Beneficiaries	Fixed remuneration		Conditional remuneration
	Sums of money	Benefits	
Aggregate remuneration of directors and officers with the exception of the remuneration of directors	Number of directors and of officers with the exception of those who only perform the duties of directors:		

Beneficiaries	Fixed remuneration		Conditional remuneration
	Sums of money	Benefits	
Aggregate remuneration of directors with respect to their duties as directors	Number of directors and officers who perform their duties as directors:		
	Give the total number of directors and officers		

Instructions:

1. The remuneration for a part of the fiscal year during which an interested party has not performed the duties of director and of officer may be omitted, provided that the fact has been indicated in a note.

2. The aggregate remuneration is divided into two elements: fixed remuneration and conditional remuneration.

3. Fixed remuneration includes any remuneration the amount, payment and definite acquisition of which are not subject to any future and uncertain event.

It comprises three elements:

(1) the remuneration for the last fiscal year;

(2) the remuneration paid during the last fiscal year, for a prior fiscal year, less, up to and including a nil balance, any amount that has already been included in the table of a prior fiscal year or that would have been included if the interested party had been a director and officer during a prior fiscal year;

(3) the remuneration granted by a third party during the last fiscal year following a transaction concluded between the reporting issuer or one of its affiliates and the third party, and whose primary purpose is to obtain the remuneration.

4. The fixed remuneration is allocated to two classes: sums of money and benefits.

5. Remuneration in the form of sums of money includes salary, director's fees, commissions and bonuses.

6. The benefits obtained in the form of securities or other property are brought to their exact market value, following deduction, where applicable, of the price of acquisition.

The market value is appraised, as the case may be, on the date of the beneficiary's choice entitling him to the benefit; on the date of the final acquisition of the benefit or on that of those two dates that is closest to the end of the fiscal year.

7. Benefits from the insurance of persons are taken into account only to the extent that they are not offered, on the same terms, to all employees.

The value indicated is the cost of the bonuses or, in the case of accident insurance or hospital insurance, of the benefits paid by the reporting issuer or one of its affiliates.

8. Personal benefits are benefits that have no direct relationship with the performance of the duties of director and officer, that are provided by the reporting issuer or by one of its subsidiaries, including through the intermediary of a third person, and that benefit, directly or indirectly, a director and officer.

They are taken into account only to the extent that they are not offered, on the same terms, to a significant number of the staff.

9. The value indicated for personal benefits is the real marginal cost borne by the reporting issuer and its subsidiaries. However, if the cost is significantly lower than the price that the beneficiary should have paid otherwise, either the price must be recorded in a note or entered in the table instead of the real marginal cost.

10. Where studies would be necessary that are out of proportion with the value in question either to determine to what extent benefits are personal rather than related to the performance of the duties of director and officer, or to establish the precise value of personal benefits, they may be omitted.

However, it must be determined beforehand, by a careful examination, that their aggregate value does not exceed 10 000 \$ for each director and officer and that their omission does not misrepresent the information provided in the table of remuneration.

11. The conditional remuneration includes any remuneration whose amount, payment or definite acquisition is subject to a future and uncertain event.

12. The value of the conditional remuneration is equal to the amounts attributable to the earnings of the last fiscal year by the reporting issuer or its subsidiaries under one of the following headings:

(1) pension plan, retirement plans, annuity contracts, deferred compensation plans or other similar plans;

(2) profit-sharing scheme or compensation plans in accordance with which the amount of the benefit is determined in relation to objective factors, in particular

the quotation of securities of the reporting issuer or of another person;

(3) share purchase or subscription plans, participation plans for benefits, savings plans or other similar plans.

13. The value indicated must include all forms of conditional remuneration granted to directors and officers, whether or not they have been authorized by a resolution of the board of directors of the reporting issuer or of one of its subsidiaries.

14. Where the exact value of a form of conditional remuneration may not be determined, a brief description thereof must be given in a note.

The description includes an appraisal of the amounts that the reporting issuer and its subsidiaries intend to pay during subsequent fiscal year or, failing such, the total amount of the funds accumulated for future instalments, accompanied with the method for computing the latter.

15. The options and subscription rights or warrants granted to directors and officers and bearing on the securities of the reporting issuer or one of its subsidiaries are part of the remuneration.

They are taken into account only to the extent that they are not offered on a prorata basis to all security holders.

16. The option, subscription right or warrant that is the subject of a significant extension of time or change is considered a new option, right or warrant.

17. With respect to options and subscription rights or warrants granted during the last fiscal year, the following information must be given:

(1) the description of the security and the number of shares referred to;

(2) the date of the issue, expiry date, price for the purchase or subscription of shares and the other important dispositions;

(3) the consideration received;

(4) the quotation of the security on the date of issuance.

18. With respect to the options taken up and the subscription rights or warrants exercised during the last fiscal year, the following information must be mentioned:

(1) the description of the security and the number of shares purchased or subscribed for;

(2) the difference between the quotation of the security and the price for the purchase or subscription therefor.

If the quotation cannot be established, the impossibility of doing so must be indicated in a note.

Item 23:

Indebtedness of directors and officers:

Disclose any information regarding the indebtedness of each director and each officer of the company, each proposed nominee for election as a director of the company, and each associate of any such director, officer or proposed nominee, but no disclosure need be made of routine indebtedness.

Instructions

1. State the name and address or, alternatively, solely the place of residence or postal address of each person whose indebtedness is described.

2. State with respect to the issuer or its subsidiaries the largest aggregate amount of indebtedness outstanding at any time during the last completed financial year, the nature of the indebtedness and of the transaction in which it was incurred, the amount presently outstanding, and the rate of interest.

3. "Routine indebtedness" means:

(1) a loan made on the same terms to employees generally and not exceeding 25 000 \$;

(2) a loan made to an officer who is a full-time employee of the issuer, provided the amount of the loan is less than his annual salary, and the loan is fully secured by hypothec on his residence.

(3) a loan made to an officer who is not employed on a full-time basis or to an associate of that person provided the loan is made in the ordinary course of business of the issuer, is made on substantially the same terms as to customers, involves no more than usual risks of collectibility, and does not exceed the greater of 200 000 \$ or 5 per cent of the shareholders' equity for the aggregate of loans made;

(4) indebtedness arising by reason of purchases made on usual trade terms or of ordinary travel or expense advances, if the repayment arrangements are in accord with usual commercial practice.

4. For a bank referred to in section 4 of the Regulation, the loan described in subparagraph 2 of paragraph 3 may exceed the salary of the officer.

Item 24:

Options, share purchase warrants and rights

Furnish information as to options, share purchase warrants and rights other than those issued to all security holders of the same class and resident in Canada on an equal basis, given or proposed to be

given by the issuer or any of its subsidiaries to each of the following groups of persons:

(1) officers and directors of the issuer, except directors who are not also officers;

(2) members of the board of directors of the issuer, except those referred to in subparagraph 1;

(3) officers and directors of any subsidiary of the issuer;

(4) employees of the issuer, except those referred to in subparagraph 1;

(5) employees of any subsidiary of the issuer; and

(6) any other person.

Instructions

1. Give the number of persons in each group described in subparagraphs 1 to 5. For the group described in subparagraph 6, give the name of each person.

2. The information requested must be given within 30 days prior to the date of the preliminary prospectus or pro forma prospectus.

3. Describe the options, stating the material provisions including:

(1) the designation and number of the securities under option or under share purchase right or warrant;

(2) the purchase price of the securities under option and the expiration dates of such options;

(3) if reasonably ascertainable, the market value of the securities under option, or under share purchase right or warrant on the date of grant; and

(4) the market value of the securities under option, or under share purchase right or warrant, on the date specified in paragraph 2 of the instructions.

4. Options, share purchase rights or warrants that are extended are considered new options, share purchase rights or warrants.

5. Where there is no market for the securities under option, share purchase right or warrant, state the formula by which the purchase price of those securities will be determined on the date of exercise.

6. This item does not apply to options granted to an underwriter.

7. The information prescribed in this item may be given in tabular form.

Item 25:

Escrowed shares:

1. State in substantially the tabular form indicated, the number of shares of each class of voting securities of the issuer to the knowledge of the issuer held in escrow.

ESCROWED SHARES

Designation of security (per class)	Number of securities held in escrow	Percentage in relation to securities in that class
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2. Also disclose the name of the depository, the conditions governing the release of the shares from escrow and the date, if the latter can be determined.

Instructions:

The information is requested as of a specified date within 30 days prior to the date of the preliminary prospectus or pro forma prospectus.

Item 26:

Principal holders of securities:

1. For each class of voting securities of the issuer or any of its subsidiaries or affiliates give the number of securities held by each holder that owns more than 10 per cent of the securities in that class. If the securities are registered in the name of a person other than the owner, state that person's name. Give the names and addresses of the holders of securities and the percentage of securities held in each class.

PRINCIPAL HOLDERS

Name and address of holder	Class of security	Number of securities	Percentage in relation to securities in that class
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2. Show, for each class of voting securities of the issuer, the company controlling it or a subsidiary of the issuer, the percentage of securities owned by the officers and directors.

SECURITIES OWNED BY OFFICERS AND DIRECTORS

Class of security	Percentage in relation to securities in that class
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3. If voting securities are being offered in connection with, or pursuant to, a subscription plan, amalgamation or reorganization, indicate as far as practicable, the respective holdings of voting securities that will be held by the principal holders after giving effect to the plan.

4. If any of the securities being offered are to be offered for the account of a security holder name such security holder and state the number or amount of the securities owned by him, the number or amount to be offered for his account, and the number or amount to be owned by him after the offering.

Instructions:

1. The information required by paragraphs 1 and 2 must be provided within 30 days prior to the date of the preliminary prospectus or pro forma prospectus.

2. Where a company owns more than 10 per cent of any class of securities, the Commission may require the disclosure of the name of any holder who owns more than 10 per cent of any class of voting securities of that company.

3. If, to the knowledge of the issuer or the underwriter, more than 10 per cent of any class of voting securities of the issuer are held or are to be held subject to any voting trust or other similar agreement, state the designation of such securities, the number or amount held or to be held and the duration of the agreement. Give the names and addresses of the trustees and outline briefly their voting rights and other powers under the agreement.

4. Where a person named in answer to paragraph 1 is an associate of another person named in the prospectus, disclose the nature of the relationship.

Item 27:

Subsidiaries and participation:

1. Furnish a list of the subsidiaries, other than inactive subsidiaries, of the issuer. As to each such subsidiary indicate under which Act it was incorporated, and the percentage of voting securities owned by the issuer. This information may be given in diagram form.

2. Where one of the primary businesses of the issuer is investing in securities, give in substantially the tabular form indicated the following information with respect to each company 5 per cent or more of whose securities of any class are owned by the issuer or its affiliates.

PARTICIPATION

Name and head office	Principal business	Percentage of securities of any class beneficially owned, directly or indirectly by the issuer or any of its affiliates	Percentage of issuer's assets invested in that affiliate
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Instructions:

1. The information prescribed in paragraph 2 must be provided within 30 days of the preliminary prospectus or pro forma prospectus.

2. If the securities being issued are to be issued in connection with, or pursuant to, a subscription plan, amalgamation or reorganization or indicate insofar as practicable the status to exist upon consummation of the plan.

3. Where a subsidiary of the reporting issuer meets the following conditions, the information requested under this item may be omitted:

(1) the assets of the subsidiary or the investment in and advances to the subsidiary by its parent and the parent's other subsidiaries do not exceed 10 per cent of the assets of the parent and its subsidiaries on a consolidated basis;

(2) the sales and operating revenues of the subsidiary do not exceed 10 per cent of the sales and operating revenues of its parent and the parent's subsidiaries on a consolidated basis; and

(3) the unnamed subsidiaries considered in the aggregate as a single subsidiary would satisfy the conditions in subparagraphs 1 and 2 if the percentage therein were replaced by 20 per cent.

Item 28:**Prior or future sales:**

1. State the prices at which securities of the class offered by the prospectus have been sold within the past 12 months prior to the date of the preliminary prospectus or pro forma prospectus, or are to be sold, if such prices differ from those at which the securities are offered by the prospectus. State the number of securities sold or to be sold at each price.

2. Where securities in the same class as those offered are listed on a stock exchange, give price ranges and volume traded on such stock exchange for each month of the current quarter and the immediately

preceding quarter and on a quarterly basis for the next preceding seven quarters.

Instruction:

1. In the case of sales by a selling security holder, the information required by paragraph 1 may be given in the form of the average price for each calendar month.

2. For a natural resource company, where sales are made to insiders or their associates, or to employees under a stock option, or where stock options or warrants were granted to any person, indicate to whom and at what price such sales were made or to whom such stock options or warrants were granted.

Item 29:**Interest of management and others in material transactions:**

Describe briefly any material interest of any of the following persons in transactions within the 3 years prior to the date of the preliminary prospectus or pro forma prospectus, or in any proposed transaction which has materially affected or will materially affect the issuer or any of its subsidiaries:

- (1) any director or officer of the issuer;
- (2) any shareholder named in answer to paragraph 1 of Item 26; and;
- (3) any associate or affiliate of any of the persons named in subparagraphs 1 and 2.

Instructions:

1. Give a brief description of the material transaction. Include the name and address of each person whose interest in any transaction is described and the nature of his relationship with the issuer.

2. As to any transaction involving the purchase or sale of assets by or to the issuer or any subsidiary, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within 2 years prior to the transaction.

3. This item does not apply to any interest arising from the ownership of securities of the issuer where the security holder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities.

4. Information shall be included as to any material underwriting discounts or commissions upon the sale of securities by the issuer where any of the persons referred to in this item is a broker or is an associate or affiliate of a person that is a broker.

5. No information need be given in answer to this item as to any transaction or any interest therein, where:

(1) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(2) the interest of a specified person in the transaction is solely that of a director of another company that is a party to the transaction;

(3) the transaction involves services as a bank or other depository of funds, transfer agent, registrar, trustee under a trust deed or other similar services;

(4) the interest of a specified person, including all periodic instalments in the case of any lease or other agreement providing for periodic payments or instalments, does not exceed 50 000 \$; or

(5) the transaction does not involve remuneration for services, and,

(a) the interest of the specified person arose from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of voting securities of another company that is a party to the transaction;

(b) the transaction is in the ordinary course of business of the issuer or its subsidiaries; and

(c) the amount of the transaction or series of transactions is less than 10 per cent of the total sales or purchases, as the case may be, of the issuer and its subsidiaries for the last completed financial year.

6. Where the interest of a person arises solely from the ownership, direct or indirect, of less than 10 per cent of any class of voting securities of a company that is a party to the transaction, that person is not required to furnish the information requested under this item.

Item 30:

Auditors, transfer agents and registrars:

1. State the name and address of the auditor.

2. Where shares are offered, state the names of the issuer's transfer agents and registrars and the location of the registers of transfers of each class of shares of the issuer. Where securities other than shares are offered, state the location of each register on which transfers of such securities may be recorded.

3. For a credit company, where the consolidated financial statements of the issuer are set out in the prospectus and the auditor of one or more subsidiaries is not the auditor of the issuer, set out the name and address of such auditor and the firm name of the subsidiary. Where an auditor makes a report containing any qualification, file with the Commission the auditor's report, the financial statement reported on, and details applicable to the qualification.

Item 31:

Material contracts:

Give particulars of every material contract entered into within the 2 years prior to the date of the preliminary prospectus or pro forma prospectus by the issuer or any of its subsidiaries; give, in particular, the date of the contract, the name of the parties and a brief description. State a reasonable time and place at which any such contract or a copy thereof may be inspected during distribution of the securities being offered.

Instructions:

1. Set out a complete list of all material contracts, indicating those which are disclosed elsewhere in the prospectus and provide particulars with respect to those material contracts about which particulars are not given elsewhere in the prospectus. This item does not require disclosure of contracts entered into in the ordinary course of business.

2. Particulars of contracts need not be disclosed, if the Commission determines that such disclosure or making-available would impair the value of the contract and would not be necessary for the protection of investors.

Item 32:

Purchase and selling groups:

In the case of an underwriting, state the name of the brokers in the purchase group and in the selling group and the name of the lead underwriter. Give the number or amount of the securities that each group member has undertaken to purchase or take up.

Instructions:

Information on the amount or number of securities is given in the preliminary prospectus or pro forma prospectus or, if unavailable, solely in the prospectus.

Item 33:

Incorporation within one year:

This item applies only to natural resource companies.

Where a company has not been incorporated for more than one year prior to the date to which the most recent balance sheet contained in the prospectus is drawn up, state the amount or estimated amount of preliminary expenses, showing administrative and development expenses separately, including the amount already expended and the estimated future expenditures in each case.

Item 34:

Additional financial information:

This item applies only to credit companies.

Employing tabular form where appropriate, with such explanatory notes as are essential to an investor's appraisal of the securities being offered, set forth the following information in respect of the issuer, its subsidiaries and affiliates:

(1) Maturity of receivables

State the amount of receivables:

- (a) due in the current financial year;
- (b) due within the next subsequent financial year;
- (c) due within the two years next thereafter; and
- (d) due at any later date.

(2) Analysis of receivables

State the amount of receivables relating to:

- (a) the sale of industrial products, wholesale or retail;
- (b) consumer loans;
- (c) hypothecary loans;
- (d) leasing;
- (e) business loans; and
- (f) any other type of loan.

(3) Funding requirements

Provide an analysis setting forth commitments which must be met both as to sinking fund requirements and the maturing of long term debt indicating the amount due within:

- (a) one year;
- (b) one year to two years;
- (c) two years to three years;
- (d) three years to five years;
- (e) five years to ten years; and
- (f) over ten years.

The issuer is not required to provide information given elsewhere in the prospectus.

(4) Schedule of current position

Show the credit company's liquid capital position based on the financial position as of the date of the balance sheet in the prospectus both before and after giving effect to the proposed issue.

Include assets which will be due within the next 2 months and the liabilities payable within the same period. Where there is a deficiency in liquid capital, explain its significance.

(5) If the effective tax rate is significantly less than is normally paid by credit companies generally, explain the principal reasons for such tax rate.

(6) Indicate those subsidiaries and operations which have produced material operations losses within the preceding 2 financial years, giving details thereof.

(7) Set out the amounts of the credit company's credit losses for each of the preceding 5 financial years and show such amounts as a percentage of liquidations, and of average outstandings.

Give appropriate details of the quality, collectibility and arrears of receivables and include an age analysis of accounts receivable, and the percentage of receivables refinanced after being in arrears for more than 3 months.

Item 35:

Relationships with other companies:

This item applies only to credit companies.

Where the issuer is a subsidiary, or a person has dominant interests in the issuer, indicate:

- (1) whether the issuer operates as an adjunct to the primary business of the parent or dominant interest;
- (2) what percentage of the voting securities of the issuer is owned by its parent, or by any dominant interest;
- (3) whether the parent of, or dominant interest in, the issuer intends to make loans to the issuer;
- (4) whether the issuer makes loans to or invests in securities of any affiliate or associate;
- (5) any other basis of influence by the parent or dominant interest.

Instructions:

1. In this item, "dominant interest" is used to describe the situation of one of the following persons:

- (1) a person that controls the issuer;
- (2) a person that is an affiliate of the issuer excluding any subsidiary of the issuer;
- (3) a person that owns more than 10 per cent of the voting securities of the issuer company; or
- (4) a person that is customarily able to direct the operations of the issuer by virtue of:
 - (a) management contracts;
 - (b) licensing or franchise agreements;
 - (c) options on voting securities;
 - (d) escrow or pooling or voting trust agreements.

2. Where any parent is incorporated under the laws of a foreign country or has its head office in a foreign country, give the name of the country and state briefly the nature of the organization.

3. If the existence of a dominant influence is open to reasonable doubt in any instance, the issuer may disclaim the existence of a dominant influence and any admission thereof; in such case, however, the issuer shall state the material facts pertinent to the possible existence of a dominant influence.

Item 36:

Tax status of issuer:

This item applies only to credit companies.

Briefly describe the tax status of the issuer.

Item 37:

Tax status of security holders:

This item applies only to credit companies.

State in general terms the income tax consequences to the holders of the securities offered hereby of any distribution to such holders.

Item 38:

Location of securities subject to a trust deed and depository of portfolio securities:

This item applies only to credit companies.

1. Where securities that are part of the investment portfolio of the issuer or of an affiliate of the issuer are pledged or subject to a trust deed, state where such securities are kept.

Where such securities are to be pledged or subject to a trust deed as part of any scheme of financing, state where the securities will be kept and name the persons expected to be parties to the transaction.

2. Where the primary business of the issuer or of an affiliate of the issuer is trading in securities, state the name, principal business address and the nature of the business of each depository of portfolio securities, and the province or country where they are kept.

3. The name of the person referred to in paragraph 1 or 2 may be omitted if that person is a bank governed by the Bank Act (S.C. 1980-81-82, c. 40) or by the Québec Savings Banks Act (R.S.C. 1970, c. B-4).

Instructions:

1. Indicate the purpose of the scheme of financing if the issuer has not done so elsewhere in the prospectus. In the case of a take-over bid, the source of capital or the name of the company concerned need not

be disclosed provided that the provisions of Title V of the Act have been complied with.

2. Where the issuer is depository of its portfolio securities, or where debt securities are issued without a trust deed, describe:

(1) provisions made for the safekeeping of portfolio and other securities and assets;

(2) bonding arrangements, if any, for employees or agents dealing with portfolio and other securities and assets; and

(3) corporate procedures for dealing with the purchase, sale and transfer of portfolio and other securities and assets.

Item 39:

Statement of functions of issuer:

This item applies only to credit companies.

1. Give a concise statement of the manner in which the following functions of the issuer are performed and the name and address of the person responsible for performing such functions where that person is not an employee of the issuer or any affiliate of the issuer:

(1) management of investments other than securities;

(2) providing supervision of lending policies;

(3) management of the issuer;

(4) providing collection policies;

(5) making investment decisions and supervising their execution; and

(6) purchase and sale of the investment portfolio and brokerage arrangements relating thereto.

2. Indicate whether the approval of the board of directors is required for investments in securities, and whether the board of directors of the company making the investment comprises directors representing persons having an interest in the credit company.

Instructions:

1. Give the following information on the investment portfolio and brokerage arrangements:

(1) the name and address of the principal broker;

(2) the total cost during the last completed financial year of the issuer of securities acquired, distinguishing between,

(a) securities of or guaranteed by the government of any country or any political subdivision thereof;

(b) short term notes; and

(c) other securities;

(3) the total cost of securities held at the beginning and at the end of the issuer's last completed financial year;

(4) the formula, method or criteria used in allocating brokerage business to brokers engaged in the distribution of the securities of the issuer;

(5) the formula, method or criteria used in allocating brokerage business to brokers furnishing other services; and

(6) the amount of brokerage paid to the principal broker for the last 3 completed financial years, giving the total amount paid in each year and expressing the amount paid in each year as a percentage of the total brokerage paid by the issuer.

2. In this item, "principal broker" means:

(1) a person through whom the investment portfolio of the issuer is purchased or sold pursuant to a contractual arrangement with or for the issuer providing for an exclusive right to purchase or sell the investment portfolio of the issuer or any feature which gives or is intended to give a broker or dealer a material competitive advantage over other brokers or dealers in respect of the purchase or sale of the investment portfolio of the issuer; or

(2) a person, together with any affiliate, by or through whom 15 per cent or more of the securities transactions of the issuer were carried out in the last completed financial year of the issuer.

3. If one or more persons more than one of the functions referred to in this item; so state, giving details of all functions so performed.

Item 40:

Associated persons:

This item applies only to credit companies.

1. Give particulars of the relationship between the issuer and any person referred to in paragraph 1 of item 39 where:

(1) the person named;

(a) is associated with the issuer;

(b) is an officer or director of or is associated with an officer or director of any affiliate of the issuer;

(c) is associated with any company that is an affiliate of or is associated with the issuer;

(2) the issuer is associated with:

(a) a named person;

(b) a company that is an affiliate of or is associated with a named person;

(3) the person that is associated with the issuer is also associated with a named person;

(4) the person is associated with any other named person.

2. If a named person has a contract or arrangement with the issuer, give a brief description of the contract or arrangement, including the basis for determining the remuneration of the named person and give the amount of remuneration paid or payable by the issuer and its subsidiaries to such person during the last completed financial year of the issuer.

3. Where required by the Commission, give the business experience of each named person and, in the case of a named company, the directors and officers thereof.

Item 41:

Other material facts:

Give particulars of any other material facts relating to the securities proposed to be offered.

SCHEDULE II

PROSPECTUS OF AN UNINCORPORATED MUTUAL FUND OR OF AN INCORPORATED MUTUAL FUND

Item 1:

Name and incorporation of issuer:

State the firm name of the issuer, the address of its head office, the Act under which it was incorporated and the date of incorporation. If material, state whether its deed of incorporation has been amended.

Item 2:

Summary of prospectus:

Give a synopsis near the beginning of the prospectus of that information in the body of the prospectus which would be most likely to influence the investor's decision to purchase the security.

Instructions

1. This summary should highlight in condensed form the information, both favourable and adverse, including risk factors in Item 6, particularly pertinent to a decision to purchase the securities offered, including information about both the issuer and the securities.

2. Appropriate cross references may be made to items in the prospectus where information is difficult to summarize accurately, but this shall not detract from the necessity to have the salient points summarized in the summary.

Item 3:**Description of business:**

1. Briefly describe the business of the issuer.
2. If the issuer has engaged in any business other than that of an unincorporated mutual fund or an incorporated mutual fund during the past 5 years, state the nature of the other business and give the approximate date on which the issuer commenced to operate as an unincorporated mutual fund or an incorporated mutual fund. If the issuer's firm name was changed during the period, state its former name and the date on which it was changed. Give information on matters such as:
 - (1) bankruptcy, sequestration or similar proceedings;
 - (2) material reorganization.
3. If during the past 2 years any affiliate of the issuer had any material interest in any transaction involving the purchase of any substantial amount of assets presently held by the issuer, describe the interest of the affiliate in such transaction and state the cost of such assets to the purchaser and to the seller.

Item 4:**Price of securities on sale or redemption:**

1. Describe briefly the method followed or to be followed by the issuer in determining the price at which its securities will be offered for sale and redeemed.

Instructions

1. State the frequency with which the offering or redemption price is determined and the time when the price becomes effective.
2. Describe the rules used for the valuation of the issuer's assets and liabilities for the purpose of calculating net asset value and disclose all instances, within the past 3 years, when the discretion to deviate from these rules, if any, was exercised.
3. Explain fully any difference in the price at which securities are offered for sale and the redemption price.
2. State the sales charge expressed as a percentage of the total amount paid by the purchaser and as a percentage of the net amount invested in securities of the issuer. State the redemption charge, if any, expressed as a percentage of the redemption price.

Instructions:

1. If the sales or redemption charge varies on a quantity basis give particulars thereof indicating the quantities and the respective charges applicable thereto.

2. Indicate briefly any difference in the sales charge imposed upon the sale of securities in connection with the conversion or exchange of securities or the reinvestment of dividends.

3. In this Schedule, "sales charge" includes all service charges including charges relating to such matters as cost of the establishment of a contractual plan and the cost of the continuing administration and maintenance of such a plan.

4. When giving particulars of the sales charge with respect to a contractual plan indicate when during the term of the plan the sales charge will be deducted.

5. Give particulars of the entitlement of the purchaser of a contractual plan to a refund of any sales charge incurred if the contractual plan is terminated during the term of such plan.

3. Describe briefly any specific authorization or requirement to reinvest the proceeds of dividends in the issuer's securities.

4. State the penalty, if any, for early redemption.

Item 5:**Method of distribution:**

Outline briefly the method of distribution of securities being offered. If sales of securities are to be effected through a principal distributor, give brief details of any arrangements with the principal distributor. See Items 21 and 22.

Instructions:

1. State whether it is the intention of the issuer to engage in the continuous sale of the securities of the issuer.
2. If the securities being offered are to be sold by way of a contractual plan, give brief particulars of the contractual plan, including:
 - (1) minimum initial investment;
 - (2) subsequent minimum investment;
 - (3) sales charge deductions from such minimum investments;
 - (4) sales charges as a percentage of the amount paid by the purchaser and as a percentage of the net amount invested in securities of the issuer; and
 - (5) the total amount invested contrasted to the amount paid by the purchaser.
3. As used in this Schedule, "principal distributor" includes,
 - (1) a person through whom securities of the issuer are distributed pursuant to a contractual arrangement

with the issuer or the manager providing for an exclusive right to distribute the securities in a particular area or any feature which gives or is intended to give a distributor a material competitive advantage over other distributors in respect of the securities offered; or

(2) a person, together with any affiliate, by or through whom 25 per cent or more of the securities of the issuer which were distributed during the last completed financial year of the issuer, were distributed.

4. With the consent of the Commission, a person who would otherwise be a principal distributor may, with respect to any of the items of disclosure required by this Schedule be treated as not coming within the definition of a principal distributor.

Item 6:

Risk factors:

1. A statement shall be made on the first page or in the summary of the prospectus, summarizing the risk factors and the speculative nature of the enterprise or the securities being offered. The information may be given in the body of the prospectus if an appropriate reference is made on the first page of the prospectus to the risks and the speculative nature of the enterprise and a cross reference is made to the place in the prospectus where the information is contained.

2. Where there is a risk that purchasers of the securities offered may become liable to make an additional contribution beyond the price of the security, disclose any information or facts that may bear on the security holder's assessment of risk associated with the investment.

Item 7:

Investment objectives:

Precisely state the investment objectives of the issuer.

Instructions:

Aims such as long-term capital appreciations or current income and the types of securities in which the issuer will invest should be described.

Item 8:

Investment practices and restrictions:

Where it is the policy or proposed policy of the issuer to engage in any of the following types of activities state the policy and the activity. Outline the extent, if any, to which the issuer has engaged in each of the activities during the last 5 years. Indicate which

of the policies may not be changed without security holder approval:

(1) the issuance of securities other than the securities offered;

(2) the borrowing of money;

(3) the underwriting of securities of other issuers;

(4) the concentration of investments in a particular sector of industry;

(5) the purchase and sale of immoveables;

(6) the purchase and sale of commodities or commodity future contracts;

(7) the making of loans;

(8) the investment of a specific proportion of assets of the issuer in a specific type of security (for example, bonds, preferred shares, money market instruments, etc.);

(9) the investment of more than 10 per cent of the assets of the issuer in the securities of another issuer;

(10) the investment in more than 10 per cent of the securities of any one issuer;

(11) the investment in securities of an issuer for the purpose of exercising control or management;

(12) the investment in securities of an unincorporated mutual fund or an incorporated mutual fund;

(13) the purchase or sale of hypothecs;

(14) the purchase of securities on margin or selling short;

(15) the investment in securities which are not fully paid;

(16) the investment in illiquid securities and securities subject to restriction on resale;

(17) the investment in foreign securities;

(18) the investment in gold or gold certificates;

(19) the pledging, mortgaging or hypothecating of the issuer's assets;

(20) the sale or purchase of portfolio securities to or from directors or officers of the issuer or of the manager;

(21) the guaranteeing of securities or obligations of any issuer;

(22) the purchase of options, rights and warrants;

(23) the writing of covered or uncovered clearing corporation options;

(24) the investment in a security which may require the purchaser to make an additional contribution beyond the price of the security;

(25) any investment other than in securities.

Instructions:

1. It is not necessary to state the policy or list an activity in which the issuer has not and does not propose to be engaged.

2. For the purpose of subparagraph 7, the purchase of debt securities for investment purposes is not to be considered the making of a loan.

3. For the purposes of subparagraph 16, where the issuer invests in securities subject to restriction on resale, describe how the securities are to be valued in the determination of net asset value of the fund.

Item 9:

Diversification of assets:

Furnish in substantially the tabular form indicated the following information as at a date within 30 days of the date of the preliminary prospectus or pro forma prospectus with respect to each artificial person 5 per cent or more of whose securities of any class are owned by the issuer.

Name and address of artificial person	Nature of its principal business	Percentage of securities of any class owned by issuer	Percentage of book value of issuer's assets invested in such securities
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Item 10:

Management fees:

1. Indicate the method of determining the amount of management fees and, distinguishing between those charged to the issuer and those charged directly to security holders, other expenses, if any, and make a cross reference to the financial statements in the prospectus for details as to the amount of management fees and other expenses, if any, which have been charged to the issuer.

2. Set out in tabular form a record of management expense ratio comprising the aggregate of all fees and other expenses paid or payable by the issuer during each of the last five completed financial years as a percentage of average net assets under administration during each of those periods. Such disclosure should also include a brief description of the method of calculating the percentage and a statement that the

management expense ratio may vary from one unincorporated mutual fund or incorporated mutual fund to another.

Instructions:

1. Where management fees are changed or are proposed to be changed and where such change would have had an effect on the management expense ratio for the most recent financial year, if the change had been in effect throughout that year, the effect of such change should be disclosed.

2. Where the financial year is other than a full year, the management expense ratio should be annualized, the period covered specified and a statement made that the management expense ratio is annualized.

3. For the purposes of this item, "average net assets" should be calculated to be the average of the net assets determined at each valuation date of the issuer and before the deduction of management fees and other expenses, and the term "other expenses" means all other expenses incurred in the course of ordinary business with the exception of the commissions and brokerage fees on the purchase and sale of portfolio securities and taxes of all kinds.

4. Where an issuer invests in an unincorporated mutual fund or incorporated mutual fund, the management expense ratio shall be calculated on the basis of those assets of the issuer on which a management fee is charged.

5. The financial statements should set out in appropriate detail the amounts of the management fee and other expenses, if any, which have been charged to the issuer.

6. The basis or rates of charges levied against security holders rather than the issuer for special services such as trustee fees for registered retirement savings plans, redemption fees, conversion of investments from one fund to another within related mutual funds, or any other specific service charge to a class of investors, should be disclosed separately, in a single table, and should not be included as part of the management expense ratio.

Item 11:

Tax status of issuer:

State in general terms the bases upon which the income and capital gains of the issuer are taxed.

Item 12:

Tax status of security holder:

State in general terms the income tax consequences to the holders of the securities offered hereby of:

- (1) any distribution to such holders in the form of dividends, including amounts reinvested;
- (2) redemption of securities;
- (3) sale of securities;
- (4) transfer to another unincorporated mutual fund or incorporated mutual fund.

Item 13:

Promoters:

If any person is or has been a promoter of the issuer within the 5 preceding years, furnish the following information:

- (1) the name, nature and amount of any consideration received or to be received from the issuer;
- (2) the nature and amount of any assets, services or other consideration received or to be received by the issuer from the promoter;
- (3) as to any assets acquired within the past 2 years or to be acquired by the issuer from a promoter, state the amount at which acquired or to be acquired and the principle followed or to be followed in determining the amount. Identify the person making the determination and state his relationship, if any, with the issuer or any promoter. State the date that the assets were acquired by the promoter and the cost thereof to the promoter.

Item 14:

Legal proceedings:

Briefly describe any legal proceedings material to the issuer to which the issuer is a party or of which any of its property is the subject.

Instructions:

Include the name of the court or agency, the date instituted, the principal parties thereto, the nature of the claim, the amount claimed, if any, whether the proceedings are being contested and the present status of the proceedings.

Item 15:

Shares — Units

1. Despite the shares or units that are being offered and furnish the following information:

- (1) dividend rights;

(2) voting rights;

(3) liquidation or distribution rights;

(4) pre-emptive rights;

(5) conversion rights;

(6) redemption, purchase for cancellation or surrender provisions;

(7) liability to further calls or to assessment by the issuer; and

(8) provisions as to modification of any such rights or provisions.

2. If the rights of holders of such shares may be modified otherwise than in accordance with the provisions attaching to such shares or the provisions of the governing Act relating thereto, so state and explain briefly.

Instructions:

1. This item requires only a brief summary of the provisions that are material from an investment standpoint. Do not set out verbatim the provisions attaching to the shares.

2. If the rights attaching to the shares or units being offered are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the shares being offered, include information regarding such other securities that will enable investors to understand the rights attached to the shares being offered. If any shares being offered are to be offered in exchange for other securities, an appropriate description of the other securities shall be given. No information need be given, however, as to any class of securities that is to be redeemed or otherwise retired, provided appropriate steps to assure redemption or retirement have been or will be taken prior to or contemporaneously with the delivery of the shares being offered.

3. The issuer may set out in a schedule to the prospectus the provisions attaching to the shares being offered.

Item 16:

Dividends:

State the amount of dividends per share, paid by the issuer including dividend reinvestment, during its last 5 completed financial years preceding the date of the preliminary prospectus or pro forma prospectus.

Item 17:

Directors, officers and trustees:

List the names and addresses of all directors, trustees and officers of the issuer and indicate all positions and offices held by each person named, and the principal occupations, within the 5 preceding years.

Instructions:

1. Where the place of residence or postal address is listed, the Commission may request that the home address in full be furnished.

2. Where the principal occupation of a director or officer is that of an officer of another company, state the business in which such company is engaged.

Item 18:

Remuneration of directors, officers and trustees:

1. The information to be provided on directors' and officers' remuneration includes:

(1) the aggregate remuneration of directors and officers with the exception of the remuneration of directors;

(2) the aggregate remuneration of directors in their capacity as directors.

For an unincorporated mutual fund, provide information with respect to the trustees of the fund.

2. The remuneration in question includes the amounts and benefits granted to its directors and officers, during the last fiscal year, by the reporting issuer itself or by its affiliates, whether or not the amounts and benefits have been paid or are simply attributed by the directors and officers.

It is presented in accordance with the following table, with the exception of options and subscription rights or warrants that are noted in the table.

TABLE OF REMUNERATION OF DIRECTORS AND OFFICERS

Beneficiaries	Fixed remuneration		Conditional remuneration
	Sums of money	Benefits	
Aggregate remuneration of directors and officers with the exception of the remuneration of directors	Number of directors and of officers with the exception of those who only perform the duties of directors:		

Beneficiaries	Fixed remuneration		Conditional remuneration
	Sums of money	Benefits	
Aggregate remuneration of directors with respect to their duties as directors	Number of directors and officers who perform their duties as directors:		
	Give the total number of directors and officers		

Instructions:

1. The remuneration for a part of the fiscal year during which an interested party has not performed the duties of director and of officer may be omitted, provided that the fact has been indicated in a note.

2. The aggregate remuneration is divided into two elements: fixed remuneration and conditional remuneration.

3. Fixed remuneration includes any remuneration the amount, payment and definite acquisition of which are not subject to any future and uncertain event.

It comprises three elements:

(1) the remuneration for the last fiscal year;

(2) the remuneration paid during the last fiscal year, for a prior fiscal year, less, up to and including a nil balance, from any amount that has already been included in the table of a prior fiscal year or that would have been included if the interested party had been a director and officer during a prior fiscal year;

(3) the remuneration granted by a third party during the last fiscal year following a transaction concluded between the reporting issuer or one of its affiliates and the third party, and whose primary purpose is to obtain the remuneration.

4. The fixed remuneration is allocated to two classes: sums of money and benefits.

5. Remuneration in the form of sums of money includes salary, director's fees, commissions and bonuses.

6. The benefits obtained in the form of securities or other property are brought to their exact market value, following deduction, where applicable, of the price of acquisition.

The market value is appraised, as the case may be, on the date of the beneficiary's choice entitling him to

the benefit, on the date of the final acquisition of the benefit or on that of those two dates that is closest to the end of the fiscal year.

7. Benefits from the insurance of persons are taken into account only to the extent that they are not offered, on the same terms, to all employees.

The value indicated is the cost of the bonuses or, in the case of accident insurance or hospital insurance, of the benefits paid by the reporting issuer or one of its affiliates.

8. Personal benefits are benefits that have no direct relationship with the performance of the duties of director and officer, that are provided by the reporting issuer or by one of its subsidiaries, including through the intermediary of a third person, and that benefit, directly or indirectly, a director and officer.

They are taken into account only to the extent that they are not offered, on the same terms, to a significant number of the staff.

9. The value indicated for personal benefits is the real marginal cost borne by the reporting issuer and its subsidiaries. However, if the cost is significantly lower than the price that the beneficiary should have paid otherwise, either the price must be recorded in a note or entered in the table instead of the real marginal cost.

10. Where studies would be necessary that are out of proportion with the value in question either to determine to what extent benefits are personal rather than related to the performance of the duties of director and officer, or to establish the precise value of personal benefits, they may be omitted.

However, it must be determined beforehand, by a careful examination, that their aggregate value does not exceed 10 000 \$ for each director and officer and that their omission does not misrepresent the information provided in the table of remuneration.

11. The conditional remuneration includes any remuneration whose amount, payment or definite acquisition is subject to a future and uncertain event.

12. The value of the conditional remuneration is equal to the amounts attributable to the earnings of the last fiscal year by the reporting issuer or its subsidiaries under one of the following headings:

(1) pension plans, retirement plans, annuity contracts, deferred compensation plans or other similar plans;

(2) profit-sharing scheme or compensation plans in accordance with which the amount of the benefit is determined in relation to objective factors, in particular the quotation of securities of the reporting issuer or of another person;

(3) share purchase or subscription plans, participation plans for benefits, savings plans or other similar plans.

13. The value indicated must include all forms of conditional remuneration granted to directors and officers, whether or not they have been authorized by a resolution of the board of directors of the reporting issuer or of one of its subsidiaries.

14. Where the exact value of a form of conditional remuneration may not be determined, a brief description thereof must be given in a note.

The description includes an appraisal of the amounts that the reporting issuer and its subsidiaries intend to pay during subsequent fiscal year or, failing such, the total amount of the funds accumulated for future instalments, accompanied with the method for computing the latter.

15. The options and subscription rights or warrants granted to directors and officers and bearing on the securities of the reporting issuer or one of its subsidiaries are part of the remuneration.

They are taken into account only to the extent that they are not offered on a prorata basis to all security holders.

16. The option, subscription right or warrant that is the subject of a significant extension of time or change is considered a new option, right or warrant.

17. With respect to options and subscription rights or warrants granted during the last fiscal year, the following information must be given:

(1) the description of the security and the number of shares referred to;

(2) the date of the issue, expiry date, price for the purchase or subscription of shares and the other important dispositions;

(3) the consideration received;

(4) the quotation of the security on the date of issuance.

18. With respect to the options taken up and the subscription rights or warrants exercised during the last fiscal year, the following information must be mentioned:

(1) the description of the security and the number of shares purchased or subscribed for;

(2) the difference between the quotation of the security and the price for the purchase or subscription therefor.

If the quotation cannot be established, the impossibility of doing so must be indicated in a note.

Item 19:

Indebtedness of directors and officers:

Disclose any information regarding the indebtedness of each director and each officer of the company, each proposed nominee for election as a director of the company, and each associate of any such director, officer or proposed nominee, but no disclosure need be made of routine indebtedness.

Instructions:

1. State the name and address or, alternatively, solely the place of residence or postal address of each person whose indebtedness is described.

2. State with respect to the issuer or its subsidiaries the largest aggregate amount of indebtedness outstanding at any time during the last completed financial year, the nature of the indebtedness and of the transaction in which it was incurred, the amount presently outstanding, and the rate of interest.

3. "Routine indebtedness" means:

(1) a loan made on the same terms to employees generally and not exceeding 25 000 \$;

(2) a loan made to an officer or director who is a full-time employee of the issuer, provided the amount of the loan does not exceed his annual salary, and the loan is fully secured by hypothec on his residence;

(3) a loan made to an officer or director or to an associate of that person other than a full-time employee of the issuer provided the loan is made in the ordinary course of business, is made on substantially the same terms as to other customers, involves no more than usual risks of collectibility, and does not exceed the greater of 200 000 \$ or 5 per cent of the shareholders' equity for the aggregate of loans made;

(4) indebtedness arising by reason of purchases made on usual trade terms or of ordinary travel or expense advances, if the repayment arrangements are in accord with usual commercial practice.

Item 20:

Depository of portfolio securities:

1. State the name, principal business address and the nature of the business of each person holding portfolio securities of the issuer as depository and the jurisdiction in which the portfolio securities are physically situate. The name of the depository may be omitted if it is a bank to which the Bank Act (S.C. 1980-81-82, c. 40) applies, or otherwise with the consent of the Commission.

2. Give brief details of the contractual arrangements made with the depository.

Item 21:

Statement of functions of issuer

1. Give a concise statement of the manner in which the following functions of the issuer are performed and who is responsible therefor, stating how such functions are co-ordinated and to the extent that any such functions are not performed by employees of the issuer, the names and addresses of the persons responsible for performing such functions:

(1) management of the issuer other than management of the investment portfolio;

(2) management of the investment portfolio;

(3) providing investment analysis;

(4) providing investment recommendations;

(5) making investment decisions;

(6) purchase and sale of the investment portfolio and brokerage arrangements relating thereto; and

(7) distribution of the securities offered.

2. List the names and addresses of all officers and directors of the artificial persons named in answer to paragraph 1.

3. Indicate the method of determining the amount of management fees and state the total of such fees paid during each of the last 5 completed financial years and separately for the period from the last completed financial year to a date within 30 days of the preliminary prospectus or pro forma prospectus.

4. Indicate the circumstances under which the management agreement may be terminated.

5. Indicate conflicts of interest or potential conflicts of interest between the issuer and the persons named in answer to paragraph 1.

Instructions:

1. Where the address given is the place of residence or postal address the Commission may request that the home address in full be furnished.

2. In giving information regarding distribution of securities the name and address of only the principal distributor need be given.

3. In giving information regarding the purchase and sale of the investment portfolio and brokerage arrangements relating thereto the name and address of only the principal broker need be given. Brief details of the following matters should also be given:

(1) the total cost during the last completed financial year of the issuer of securities acquired, distinguishing between,

(a) securities of or guaranteed by the government;

(b) short-term notes; and

(c) other securities;

(2) the total cost of securities held at the beginning and at the end of the issuer's last completed financial year;

(3) the formula, method or criteria used in allocating brokerage business to persons engaged in the distribution of the securities of the issuer;

(4) the formula, method or criteria used in allocating brokerage business to persons furnishing statistical, research or other services to the issuer or the manager of the issuer; and

(5) the amount of brokerage paid to the principal broker for the last 3 completed financial years, giving the total amount paid in each year and expressing the amount paid in each year as a percentage of the total brokerage paid by the issuer.

4. If one or more persons performs more than one of the functions referred to in this item, so state, giving details of all functions so performed.

5. For the purpose of this Schedule, "principal broker" includes:

(1) a person through whom the investment portfolio of the issuer is purchased or sold pursuant to a contractual arrangement with the issuer or the manager of the issuer providing for an exclusive right to purchase or sell the investment portfolio of the issuer or any feature which gives or is intended to give a broker a material competitive advantage over other brokers in respect of the purchase or sale of the investment portfolio of the issuer; or

(2) a person, together with any affiliate, by or through whom 15 per cent or more of the securities transactions of the issuer were carried out in the last completed financial year.

6. With the consent of the Commission, a person who would otherwise be a principal broker as defined in paragraph 5 may, with respect to any of the items in this Schedule, be treated as not coming within the definition of a principal broker.

Item 22:

Associated persons:

Furnish the following information on each person named in answer to paragraph 1 of Item 21:

1. If that person:

(1) is associated with the issuer;

(2) is an officer or director of an artificial person that is associated with any affiliate of the issuer or is associated with that artificial person;

(3) is an officer or director of an artificial person associated with the issuer or is associated with that artificial person, so state and give particulars of the relationship.

2. If the issuer:

(1) is associated with that person;

(2) is associated with any affiliate of that person;

(3) is associated with an artificial person that is associated with that person, so state, and give particulars of the relationship.

3. If a person associated with the issuer is also associated with the person named, so state, and give particulars of the relationship.

4. If a named person has a contract or arrangement with the issuer, give a brief description of the contract or arrangement, including the basis for determining the remuneration of the named person and give the amount of remuneration paid or payable by the issuer to such person during the last completed financial year of the issuer.

5. If a person named in answer to paragraph 1 of Item 21 is associated with any other person therein, so state, and give particulars of the relationship.

6. Where required by the Commission, give the business experience of each person named and, in the case of an artificial person, of its directors and officers.

Item 23:

Principal holders of securities:

1. For each class of voting securities of the issuer of the manager, give the number of securities held by each holder that owns more than 10 per cent of the securities in that class. If the securities are registered in the name of a person other than the owner, state that person's name. Give the names and addresses of the holders of securities and the percentage of securities held in each class.

Name and address of holder	Issuer or manager	Class of security	Number of securities	Percentage in relation to securities in that class
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2. If any person named in answer to paragraph 1 owns more than 10 per cent of:

(1) any class of voting securities of the principal distributor or the principal broker of the issuer or any company controlling them or its subsidiary; or

(2) any proprietorship interest in the principal distributor or the principal broker of the issuer, give the percentage of such securities or the percentage of such proprietorship interest so owned by such person.

3. State the percentage of each class of voting securities:

(1) of the issuer, the company controlling it or a subsidiary, held by all the officers, directors and trustees of the issuer;

(2) of the manager, the company controlling it of a subsidiary, held by all the officers and directors of the manager.

Name of company	Issuer or relationship with issuer	Class of security	Percentage in relation to securities in that class

Instructions:

1. The information required by paragraphs 1 and 3 of this item is furnished in tabular form as of a specified date within 30 days prior to the date of the preliminary prospectus or pro forma prospectus.

2. Where an artificial person owns more than 10 per cent of any class of securities of the issuer, the Commission may require the disclosure of such additional information as is necessary to identify any individual who owns directly or indirectly more than 10 per cent of each class of voting securities of that artificial person.

3. Securities owned directly or indirectly shall be aggregated in determining whether any person owns more than 10 per cent of the voting securities of any class.

4. If voting securities are being offered in connection with, or pursuant to, a subscription plan, amalgamation or reorganization, indicate, as far as practicable, the respective holdings of voting securities that will exist after giving effect to the plan.

5. If, to the knowledge of the issuer or the manager, more than 10 per cent of any class of voting securities are held or are to be held subject to any voting trust or other similar agreement, state the designation of such securities, the number held or to be held and the duration of the agreement. Give the names and addresses of the trustees and outline briefly their voting rights and other powers under the agreement.

6. If, to the knowledge of the issuer, the company controlling the issuer, the manager or the company controlling the manager, any person named in answer to paragraph 1 is an associate or affiliate of any other person named in the prospectus, disclose the material facts of such relationship.

Item 24:

Interest of management and others in material transactions:

Describe briefly any material interest of any of the following persons in any transaction within the 3 years prior to the date of the preliminary prospectus or pro forma prospectus, or in any proposed transaction which has materially affected or will materially affect the issuer or any of its subsidiaries:

- (1) the manager of the issuer;
- (2) the principal distributor of the issuer;
- (3) the principal broker of the issuer;
- (4) any director, officer or trustee of the issuer or of any person referred to in subparagraphs 1, 2 and 3;
- (5) any security holder named in answer to paragraph 1 of Item 23; and
- (6) any associate or affiliate of any of the foregoing persons.

Instructions:

1. Give a brief description of the material transaction. Include the name and address of each person whose interest in any transaction is described and the nature of the relationship with the issuer.

2. As to any transaction involving the purchase or sale of assets by or to the issuer otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within 2 years prior to the transaction.

3. This item does not apply to any interest arising from the ownership of securities of the issuer where the security holder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities.

4. The information prescribed in this item is not required in the following cases:

- (1) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;
- (2) the interest of a specified person in the transaction is solely that of director of a company that is a party to the transaction;

(3) the transaction involves services as a bank or other depository of funds, transfer agent, registrar, trustee under a trust deed or other similar services;

(4) the interest of a specified person, including all periodic instalments in the case of any lease or other agreement providing for periodic payments or instalments, does not exceed 50 000 \$; or

(5) the transaction does not involve remuneration for services, provided

(a) the interest of a specified person arose from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of voting securities of another company that is a party to the transaction; and

(b) the transaction is in the ordinary course of business of the issuer.

5. Information need not be furnished in answer to this item by persons who have an interest in transactions that involve remuneration if that person owns less than 10 per cent of any class of voting securities of a company that is a party to the transaction.

Item 25:

Auditors, transfer agents and registrars:

1. State the name and address of the auditor.
2. State the name of the issuer's transfer agent and registrar and the city where the registers of transfer of the issuer's securities are kept.

Item 26:

Material contracts

Give particulars of every material contract entered into by the issuer within the 2 years prior to the date of the preliminary prospectus or pro forma prospectus, including the date of the contract, the name of the parties and a brief description. Outline the conditions under which these contracts may be consulted during the distribution.

Instructions:

1. Set out a complete list of all material contracts, indicating those which are disclosed elsewhere in the prospectus and provide particulars with respect to the others. This item does not require disclosure of contracts entered into in the ordinary course of business of the issuer.

2. Particulars of contracts need not be disclosed, if the Commission determines that such disclosure or making-available would impair the value of the contract and would not be necessary for the protection of investors.

Item 27:

Other material facts:

Give particulars of any other material facts relating to the securities proposed to be offered.

SCHEDULE III

PROSPECTUS WHERE THE DISTRIBUTION IS MADE THROUGH AN EXCHANGE

Item 1:

Name and incorporation of issuer

State the full corporate name of the issuer, the address of its head office, the laws under which it was incorporated or organized and the date of such incorporation or organization. State any material amendment to the incorporating documents.

Item 2:

Distribution

Set out the description, designation and number of securities being offered. If any of the securities being offered are to be offered for the account of a selling security holder, name the security holder and state the number of securities owned by him, the number to be offered for his account and the number owned by him after the offering.

Item 3:

Distribution spread

Set out the distribution price underwriting discounts or commissions and the estimated net proceeds to the issuer or selling security holder, on both a per security and an aggregate basis.

If it is not possible to state the distribution price or the underwriting discount or commission, the method by which they are to be determined shall be explained.

Give the range of the market price during the previous ninety days.

Item 4:

Plan of distribution

Outline briefly the manner in which the securities being offered are to be distributed, giving particulars of any outstanding or proposed underwriting or option agreement, including the name and address of each underwriter or optionee.

Give similar particulars of sub-underwriting or sub-option agreements outstanding or proposed to be given and particulars of any assignments or proposed assignments of any such agreements.

Item 5:

Principal security holders of underwriter or optionee

Give the name and address of any person or company who beneficially owns, directly or indirectly, in excess of 10% of the voting securities of any person or company named in answer to 4 above and the number and percentage of voting securities so owned.

Item 6:

Use of proceeds

State the principal purposes for which the estimated net proceeds to be derived by the issuer from the sale of the securities to be offered are intended to be used and the approximate amount intended to be used for each such purpose.

If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts, the sources of such other funds.

Item 7:

Senior executives

Give names, addresses and chief occupations for the past five years of the officers and directors of the issuer.

Item 8:

Share and loan capital structure

State the share and loan capital of the issuer showing in the case of share capital authorized and issued capital.

Item 9:

Payment to promotor

Give particulars of any payments in cash or securities of the issuer made or to be made to a promotor or finder in connection with the proposed underwriting.

Item 10:

Properties

Give brief particulars of important properties owned, leased, held under option or operated or presently intended to be owned, leased, held under option or operated by the issuer.

Item 11:

Mineral or oil and gas reserves

Indicate whether any property referred to in item 10 is without a known body of commercial ore or reserves or recoverable oil and gas.

Item 12:

Exploration and development work

Give brief particulars of any exploration and development work of the issuer during the past year and the results thereof.

Item 13:

Acquisitions of properties

Give brief particulars of property proposed to be acquired by the issuer or any associate or affiliate of the issuer or acquired by the issuer or any associate or affiliate of the issuer within the previous three years, including the name and address of the vendor and the cost or proposed cost thereof to the issuer or any associate or affiliate, and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so state and indicate the nature of the relationship.

Item 14:

Promotor

State the name of any person or company who is or has been a promotor of the issuer within the preceding two years and, if not disclosed in item 13, the nature and amount of anything of value (including money, property, contracts, options or rights of any kind) received or to be received by each promotor.

Item 15:

Shares issued for properties

If the property referred to in item 13 was or is to be paid for by the issuance of securities of the issuer or any subsidiary, give:

(1) the number of securities of the issuer and any subsidiary issued to or to be issued to the vendor after giving effect to such transaction, and

(2) the number and, if more than 5% of the securities presently outstanding, the percentage of securities of the issuer and any subsidiary owned or to be owned, by the vendor after giving effect to the transaction.

If the vendor is a company, give the names and addresses of the insiders of the company.

Item 16:

Escrowed shares

Give the number, and if more than 5%, the percentage of the securities of the issuer held in escrow or in pool and a brief statement of the terms of the escrow or pooling agreement.

Item 17:

Principal security holders

Give the number of securities of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known by the issuer or the selling security holder to own beneficially, directly or indirectly, more than 5% of such securities, in each case within ten days from the date hereof. Show separately whether the securities are owned both of record only, or beneficially only, and show the respective amounts in percentages owned in each such manner.

Item 18:

Legal proceedings

Give a brief statement of any material legal proceedings to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.

Item 19:

Remuneration of officers, directors and insiders

Give the information required by item 22 of Schedule I, and give the aggregate direct remuneration, including amounts for services rendered, paid or payable by the issuer and its subsidiaries during the past year to other insiders of the issuer.

Item 20:

Options to purchase securities

Give the information required by item 24 of Schedule I.

Item 21:

Prior distributions

State the prices at which securities of the issuer have been issued for cash or traded within the twelve months immediately preceding the date of this statement. For securities which have been traded, give price ranges and volume traded for each of those months and for securities which have been issued during those months, state the number of securities issued at each price. If

any securities have been issued for services, state the nature and value of the services and give the name and address of the person or company who received the securities.

Item 22:

Material contracts

Give the dates of and parties to and the general nature of every material contract entered into by the issuer or any subsidiary within the preceding two years which is still in effect and is not disclosed in the foregoing.

Item 23:

Other material facts

Give particulars of any other material facts that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities proposed to be issued.

SCHEDULE IV**THE SIMPLIFIED PROSPECTUS**

A reporting issuer that meets the conditions prescribed by section 18 of the Act presents the information indicated in Part A only if it also meets the conditions prescribed in sections 153 to 156 of the Regulation; other-wise, it also presents the information indicated in Part B.

PART A

Item 1:

Distribution spread

The information refers to all the securities for which payment is made in cash and is presented in tabular form in the first page of the simplified prospectus.

	Price to public	Underwriting commission	Net proceeds of distribution
Per unit			
Total			

Item 2:

Issuer's firm name

State the issuer's firm name, the address of its head office and that of its principal establishment.

Item 3:

Summary description of the issuer's activities

Give a brief summary of the present and planned activities of the issuer and its subsidiaries.

Item 4:

Capital structure

Where there is a material change in the share capital structure and the consolidated loan capital of the issuer since the date of the most recent annual financial statements filed with the Commission, describe the change and its results.

Item 5:

Use of the net proceeds of the distribution

Indicate the net proceeds that the issuer expects to obtain from distribution of the securities issued, the principal uses planned for the money and the sums set aside for each of those uses.

Item 6:

Method of distribution

In the case of a distribution carried out by a broker who underwrites or agrees to underwrite all or part of the issue, give the name of the broker and describe his commitments respecting the taking of delivery and payment for the securities, including information on any market-out clause and indicate the date on which the broker must underwrite the securities.

Describe briefly any other method of distribution. In the case of a best efforts distribution, indicate as far as possible the minimum and maximum sums to be raised, and the latest possible date for ending the distribution. In the case of a best efforts distribution containing a minimum sum to be raised, the proceeds of the distribution are deposited with a person approved by the Commission who agrees to remit them to the underwriters if the minimum is not reached.

A broker who intends to carry out transactions intended to fix or stabilize the quotations of a security must make the following declaration in the prospectus:

"The firm underwriters may assign securities in excess of the issue or carry out transactions intended to fix or stabilize the quotations of the security at a higher level than the quotation that would exist in a free market. Such transactions may be begun or interrupted at any time during the distribution."

Item 7:

Market for trading in securities

Identify on the first page the stock exchange or exchanges on which the securities offered are traded.

Item 8:

Coverage by assets and by earnings

A simplified prospectus dealing with debt securities maturing in more than one year or with preferred shares must indicate the coverage of the commitments by assets and by earnings.

Item 9:

Details concerning the distribution

Where shares are issued, describe the shares offered, giving the following information:

- (1) dividend rights;
- (2) voting rights;
- (3) liquidation or distribution rights;
- (4) pre-emptive rights;
- (5) conversion rights;
- (6) redemption, purchase for cancellation or surrender provisions;
- (7) sinking or purchase fund provisions;
- (8) liability to further calls or to assessment by the issuer;
- (9) provisions as to modification of any such rights or provisions.

If the rights of holders of such shares may be modified otherwise than in accordance with the provisions attaching to such shares or the provisions of the governing Act relating thereto, so state and explain briefly.

Where non-voting shares or shares bearing unequal voting rights or securities convertible into shares of such type are issued, the following provisions must be respected:

- (1) the first page of the prospectus must clearly state that the shares offered are non-voting or restricted voting shares and, where it applies, that the shares offered may not be deposited in reply to a public bid;
- (2) the prospectus must clearly describe the rights attached to the securities offered and to the other classes of shares;

(3) where the issuer is not listed on a recognized stock exchange, it must agree to send to all prospective holders of securities offered the information sent to all

holders of voting securities and to send them notice of any ordinary or special general meeting of shareholders.

If obligations are being offered, give a brief summary of the material attributes and characteristics of the indebtedness and the security therefor including:

(1) provisions with respect to interest rate, maturity, redemption or other retirement sinking fund and conversion rights;

(2) the nature and priority of any security for the obligations, briefly identifying the principal properties forming the security;

(3) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants (including restrictions against payment of dividends, restrictions against giving security on the assets of the issuer or its subsidiaries and the like) and provisions as to the release or substitution of assets securing the obligations or the modification of the terms of the security;

(4) the name of the trustee under any trust deed relating to the obligations and the nature of any material relationship between the trustee and the issuer or any of its subsidiaries;

(5) indicate any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

If securities other than shares or obligations are being offered, outline briefly the rights evidenced thereby.

Item 10:

Other material facts

Give the details of any other material fact in respect of the securities offered.

Item 11:

Integration of the information documents

The prospectus must contain the following notice in bold type:

"The information documents listed hereinafter and filed with the Commission des valeurs mobilières du Québec form an integral part of the simplified prospectus:

Item 11:

Incorporation of disclosure documents

The prospectus contains the following statement in bold face type:

"The disclosure documents listed hereunder and filed with the Commission des valeurs mobilières du Québec are incorporated in the simplified prospectus:

(1) the annual financial statements and auditor report for the financial year ended contained in the annual report;

(2) the information concerning the reporting issuer (Schedule IX) filed since the end of the financial year mentioned in 1;

(3) the quarterly financial statements filed since the end of the financial year mentioned in 1;

(4) the proxy circular filed since the end of the financial year mentioned in 1;

(5) the notices of material changes filed since the end of the financial year mentioned in 1 (give the date of each filing);

(6) the information included in the annual report in accordance with sections 153 to 155;

(7) any other document added to the permanent information record and that the issuer wishes to incorporate in the simplified prospectus or replacing a document mentioned in paragraphs 1 to 4 (identify the document and give the date of filing).

The information documents filed between the date of the prospectus and the date of the end of the distribution also form an integral part of the simplified prospectus."

PART B

Item 12:

Market for trading in the securities

When applicable, instead of the information prescribed in Item 7 of this Schedule, present that prescribed by Item 3 of Schedule I.

Item 13:

Risk factors

Present the information prescribed by Item 10 of Schedule I.

Item 14:

Promoter

Present the information prescribed by Item 15 of Schedule I.

Item 15:

Litigation in progress

Present the information prescribed by Item 24 of Schedule I.

Item 16:

Options, rights and warrants

Present the information prescribed by Item 24 of Schedule I.

Item 17:

Shares in escrow

Present the information prescribed by Item 25 of Schedule I.

SCHEDULE V**SIMPLIFIED PROSPECTUS FOR AN INCORPORATED MUTUAL FUND OR AN UNINCORPORATED MUTUAL FUND**

Item 1:

Name and incorporation of reporting issuer:

State the full name of the reporting issuer and the address of its head office and principal office. State the laws under which the reporting issuer was incorporated and the manner and date of its incorporation. If the reporting issuer's name was changed during the last twelve months state its former name and the date on which it was changed.

Item 2:

Risk factors:

1. Indicate on the first page of the simplified prospectus, where applicable, the risk factors and speculative nature of the enterprise or of the securities being offered. The information may be given elsewhere in the simplified prospectus provided that an appropriate reference is made on the first page and that a cross reference is made to the place where the information is contained.

2. Where there is a risk that purchasers of the securities offered may become liable to make an additional contribution beyond the price of the security, disclose any information or facts that may bear on the security holder's assessment of risks associated with the investment.

Item 3:

Shares — Units

1. Describe the shares or units offered and furnish the following information:

(1) dividend rights;

(2) voting rights;

(3) liquidation or distribution rights;

(4) pre-emptive rights;

(5) conversion rights;

(6) redemption, purchase for cancellation or surrender provisions;

(7) liability to further calls or to assessment by the issuer; and

(8) provisions as to modification, amendment or variation of any such rights or provisions.

2. If the rights of holders of such shares may be modified otherwise than in accordance with the provisions attaching to such shares or the provisions of the governing act relating thereto, so state and explain briefly.

Instructions:

1. This item requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the shares or units may be entered in the disclosure file.

2. If the rights attaching to the shares or units being offered are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the shares or units being offered, include information regarding such other securities that will enable investors to understand the rights attaching to the securities being offered. If any securities being offered are to be offered in exchange for other securities, an appropriate description of the other securities shall be given. No information need be given, however, as to any class of securities that is to be redeemed or otherwise retired, provided appropriate steps to assure redemption or retirement have been or will be taken prior to or contemporaneously with the delivery of the securities being offered.

Item 4:

Price of securities on sale or redemption:

1. Describe briefly the method followed or to be followed by the reporting issuer in determining the price at which its securities will be offered for sale and redeemed and state the frequency with which the

offering or redemption price is determined and the time when the price becomes effective.

2. State, where applicable, the sales charge expressed as a percentage of the total amount paid by the purchaser and as a percentage of the net amount invested in securities of the issuer. Where these charges vary in relation to the amount of the operation, give the tariff.

3. Describe briefly the procedure followed or to be followed by the purchaser for securities on sale or redemption, including any savings plan and the penalty for early redemption. State, where applicable, the redemption charge expressed as a percentage of the redemption price and where these charges vary in relation to the amount of the operation, give the tariff.

4. Describe briefly any specific authorization or requirement to reinvest the proceeds of dividends or similar distributions in the reporting issuer's securities.

5. Refer the purchaser to the disclosure file regarding a detailed statement of the information required in this Item.

Item 5:

Method of distribution

Outline briefly the method of distribution of the securities being offered. If sales of securities are to be effected through an arrangement with a principal distributor, give brief details of any arrangements made with the principal distributor.

Instructions:

1. State whether it is the intention of the reporting issuer to engage in the continuous sale of the securities of the reporting issuer.

2. If the securities are being offered under a savings plan, give the main particulars of the contractual plan, including:

- (1) minimum initial investment;
- (2) subsequent minimum investment;
- (3) sales charge deductions from such minimum investments;
- (4) sales charges as a percentage of the amount paid by the purchaser and as a percentage of the net amount invested in securities of the reporting issuer;
- (5) the total amount invested contracted to the amount paid by the purchaser.

3. As used in this Schedule, "principal distributor" includes,

- (1) a person through whom securities of the reporting issuer are distributed pursuant to a contractual

arrangement with the reporting issuer or the manager providing for an exclusive right to distribute the securities in a particular area or any feature which gives or is intended to give a distributor a material competitive advantage over other distributors in respect of the securities offered, or

(2) a person together with any affiliate, through whom 25 per cent or more of the securities of the reporting issuer which were distributed during the last completed financial year of the reporting issuer were distributed.

4. Despite the fact that he is a principal distributor within the meaning of paragraph 3, with the consent of the Commission, a person may be treated as not coming within the definition of a principal distributor for the application of one of the items of this Schedule.

Item 6:

Statement of principal functions:

1. Give a concise statement of the manner in which the following functions of the issuer are performed and who is responsible therefor, stating how such functions are co-ordinated and to the extent that any such functions are not performed by *bona fide* employees of the issuer, the names and addresses of the persons responsible for performing such functions:

- (1) management of the issuer other than management of the investment portfolio;
- (2) management of the investment portfolio;
- (3) providing investment analysis;
- (4) providing investment recommendations;
- (5) making investment decisions;
- (6) purchase and sale of the investment portfolio and brokerage arrangements relating thereto; and
- (7) distribution of the securities offered.

2. Refer the purchaser to the disclosure file regarding the purchase and sale of the investment portfolio and brokerage arrangements relating thereto.

3. Indicate the circumstances under which the management agreement may be terminated.

4. Indicate conflicts of interest or potential conflicts of interest between the issuer and the persons named in answer to paragraph 1.

Instructions:

1. Where an alternate address is listed, the Commission may request that the home address in full be furnished to it.

2. In giving information regarding distribution of securities the name and address of only the principal distributor need be given.

3. If one or more persons performs more than one of the functions referred to in this Item, so state, giving details of all functions so performed.

Item 7:

Management fees:

1. Indicate the method determining the amount of management fees and, distinguishing between those charged to the reporting issuer and those charged directly to security holders, other expenses, if any, and make a cross reference to the financial statements contained in or accompanying the disclosure file for details as to the amount of management fees and other expenses, if any, which have been charged to the reporting issuer.

2. Set out in tabular form a record of management expense ratio comprising the aggregate of all fees and other expenses paid or payable by the reporting issuer during each of the last five completed financial years as a percentage of average net assets under administration during each of those periods. Such disclosure should also include a brief description of the method of calculating the percentage and a statement that the management expense ratio may vary from one incorporated mutual fund or an unincorporated mutual fund to another.

Instructions:

1. Where management fees are changed or are proposed to be changed and where such change would have had an effect on the management expense ratio for the most recent financial year, if the change had been in effect throughout that year, the effect of such change should be disclosed.

2. Where the financial year is other than a full year, the management expense ratio should be annualized, the period covered specified and a statement made that the management expense ratio is annualized.

3. For the purposes of this Item, "average net assets" should be calculated to be the average of the net assets determined at each valuation date of the reporting issuer and before the deduction of management fees and other expenses, and the term "other expenses" means all other expenses incurred in the course of ordinary business of the reporting issuer with exception of the Commission and brokerage fees on the purchase and sale of portfolio securities and taxes.

4. Where a reporting issuer invests in another incorporated mutual fund or unincorporated mutual

fund, the management expense ratio shall be calculated on the basis of those assets of the reporting issuer on which a management fee is charged.

5. The charges levied against security holders rather than the reporting issuer for special services such as trustee fees for registered retirement savings plans, redemption fees, conversion of investments from unincorporated mutual funds to related incorporated mutual funds, or any other specific service charges to a class of investors, should be disclosed separately in a single table, and should not be included as part of the management expense ratio.

Item 8:

Investment objectives and practices:

1. Precisely state the investment objectives of the reporting issuer.

2. Refer the purchaser to the disclosure file regarding the information respecting investment practices made by the reporting issuer for the purpose of reaching his objectives.

Instructions:

Aims such as long-term capital appreciation or current income and the types of securities in which the reporting issuer will invest should be described.

Item 9:

Tax status of reporting issuer:

State in general terms how the income and capital gain of the reporting issuer are levied.

Item 10:

Tax status of security holders:

State in general terms the income tax consequences to the holders of the securities offered hereby of:

(1) any distribution to such holders in the form of dividends or otherwise, including amounts beneficially received by way of investment;

(2) redemption;

(3) sale;

(4) transfer of funds between an incorporated mutual fund or an unincorporated mutual fund, if applicable.

Item 11:

Auditors, transfer agents and registrars:

1. State the name and address of the auditor of the reporting issuer.

2. State the names of the reporting issuer's transfer agents and registrars and the location of the city in which the registers of transfer of securities of the reporting issuer are kept.

Item 12:

Other material facts:

Give details of any other material fact likely to affect the value or quotation of securities that are the subject of an investment.

Item 13:

Integration of information documents:

The simplified prospectus contains the following mention in bold type:

"The information documents listed below and filed with the Commission des valeurs mobilières du Québec are an integral part of the simplified prospectus:

The documents filed after the date of the simplified prospectus are also an integral part of the simplified prospectus."

SCHEDULE VI

THE SHORT FORM PROSPECTUS

Item 1:

Warning

The following warning must appear on the first page of the prospectus:

"No securities commission or any similar authority in Canada has ruled on the quality of the securities offered by this prospectus; any person who causes the contrary to be understood commits an infraction."

Item 2:

Distribution spread

The information called for concerning the distribution spread must be given, in tabular form on the first page of the prospectus.

DISTRIBUTION SPREAD

	Price to public	Remuneration of underwriter	Net proceeds of distribution
Per unit			
Total			

Instructions:

1. Any commissions paid or payable in cash or discounts granted are to be mentioned in a note following the table.

2. The table should set out separately those securities which are underwritten, those under option and those to be sold on a "best efforts" basis.

3. If it is impracticable to state the offering price, the method by which it is to be determined shall be explained. If the securities are to be offered at the market, indicate the market involved and the market price as of the latest practicable date.

4. If debt securities are to be offered at a premium or a discount, state in bold face type the effective yield if held to maturity.

5. Where the securities are distributed by the issuer, indicate in a note that no remuneration was paid to directors and officers or to employees for the distribution. In such case, the column "Remuneration of Underwriters" is not completed.

Item 3:

Market for securities

Where no market exists, or will exist after the distribution, state in bold face type on the first page: "There is no market through which these securities may be sold". Disclose how the price paid to the company was established, whether by negotiation with the underwriter, arbitrarily by the company, or otherwise.

Item 4:

Plan of distribution

1. If the securities being offered are to be sold through underwriters, give the names of the underwriters. State briefly the nature of the underwriters' obligation to take up and pay for the securities. Indicate the date by which the underwriters are to purchase the securities.

2. Outline briefly the plan of distribution of any securities being offered that are to be offered otherwise than through underwriters. Where there is a "best efforts" offering, indicate, where practicable, on the first page the minimum amount, if any, required to be raised, and also indicate the maximum amount that could be raised and the latest date that the offering is to remain open.

Instructions:

All that is required as to the nature of the underwriters' obligation is whether the underwriters are or will be committed to take up and pay for all of the

securities if any are taken up, or whether the underwriting is merely an agency or "best efforts" arrangement under which the underwriters are required to take up and pay for only such securities as they may sell.

1. Where an underwriting is subject to a "market out" clause, a statement in the prospectus under Plan of Distribution should be made with respect to the "market out" clause. The statement may be in the following form:

"Under an agreement dated _____ 19 _____ between the company and _____ as _____, the company has agreed to sell and the _____ has agreed to purchase on _____ 19 _____ the _____ at a price of \$_____, payable in cash to the company against delivery. The obligations of the _____ under the agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The _____ is, however, obligated to take up and pay for all of the _____ if any of the _____ are purchased under the agreement ».

2. Where an agreement has been made with an underwriter to provide a guarantee that all the securities will be taken up, it should be declared. The declaration may be in the following form:

"Under an agreement dated _____ between the company and _____ as underwriter, the company has agreed to issue and the underwriter has agreed to purchase on _____ all the securities that have not been distributed at that date. The underwriter is obligated to take up and pay for all the _____.

Item 5:

Risk factors

1. State on the first page any risk involved and the speculative nature of the business or the securities offered. This information may be provided elsewhere in the prospectus provided that it is mentioned on the first page and that a reference indicates where the information is provided.

Provide the following information:

- (1) the proposed dilution of the securities offered, computed on the net physical assets;
- (2) a comparison in percentage between the securities distributed for cash and those issued or to be issued for cash, for other securities or for production in

favour of promoters, directors and officers, securities holders having a controlling interest and brokers. \

2. If there is a risk that a person acquiring the securities may be required to meet calls for funds in addition to the price of the security, provide the necessary information for assessing the risk.

Item 6:

Name and incorporation of issuer

State the full corporate name of the issuer, the address of its head office, the law under which the issuer was incorporated and the date of incorporation. If material state whether the deed of incorporation has been amended.

Item 7:

Description of business

Briefly describe the business carried on and intended to be carried on by the issuer and its subsidiaries and the general development of the business within the three preceding years. If the business consists of the production or distribution of products or the rendering of services, indicate the principal products or services.

Instructions:

1. The description shall not relate to the powers and objects specified in the incorporating instruments, but to the actual business carried on and intended to be carried on. Include the business of subsidiaries of the issuer only in so far as is necessary to understand the character and development of the business conducted by the combined enterprise.

2. In the general description concerning the issuer and its subsidiaries, provide information about matters such as the following:

- (1) the nature and results of any bankruptcy, sequestration or similar proceedings;
- (2) material reorganization;
- (3) the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business;
- (4) material changes in the types of products produced or services rendered;
- (5) any material changes in the mode of conducting the business of the issuer or its subsidiaries.

Item 8:

Share and loan capital structure

Furnish in tabular form, or where appropriate in notes thereto:

(1) particulars of the share and loan capital of the issuer or of the capital stock in the case of a cooperative within the meaning of the Cooperatives Act (1982, c. 26);

(2) particulars of the loan capital of each subsidiary of the issuer (other than loan capital owned by the issuer or its wholly-owned subsidiaries) whose financial statements are contained in the prospectus on either a consolidated or individual basis;

(3) the aggregate amount of the minority interest in the preference shares, if any, and the aggregate amount of the minority interest in the common shares and surplus of all subsidiaries whose financial statements are contained in the prospectus on a consolidated basis; and

(4) the information required in paragraph 3 for the subsidiaries whose financial statements are contained in the prospectus on an individual basis.

CAPITAL STRUCTURE

Designation of security	Amount authorized or to be authorized	Amount outstanding as of the date of the most recent balance sheet	Amount outstanding as of a specific date within 30 days	Amount to be outstanding if all securities being issued are sold
-------------------------	---------------------------------------	--------------------------------------------------------------------	---------------------------------------------------------	------------------------------------------------------------------

Instructions:

1. Include all indebtedness for borrowed money as to which a written understanding exists that the indebtedness may extend beyond one year. Do not include other indebtedness classified as current liabilities unless secured.

2. Individual items of indebtedness which are not in excess of 3% of total assets as shown in the balance sheet referred to in Column 3 may be set out in a single aggregate amount under an appropriate caption such as "Sundry Indebtedness".

3. Include in the table the amount of obligations under financial leases capitalized in accordance with generally accepted accounting principles. Set out in a note to the table a cross reference to any note in the financial statements containing information concerning the extent of obligations arising by virtue of other leases on real property.

4. Give particulars of the amount, general description of and security for any substantial indebtedness proposed to be created or assumed by the issuer or its subsidiaries.

5. Where applicable, state in general terms the respective priorities of the indebtedness shown in the table.

6. The information need be given under Column 2 with respect to the common and preference shares of subsidiaries.

7. Notes should be attached to the table stating:

(1) the amount of the contributed surplus and the undistributed earnings according to the most recent balance sheet contained in the prospectus;

(2) the number of shares reserved for the exercise of rights, options and warrants.

8. The thirty-day period referred to in Column 4 is to be calculated in terms of the date of the preliminary prospectus or the date of the *pro forma* prospectus. Where more than thirty days have elapsed from the date of the preliminary or *pro forma* prospectus, the information included in the prospectus shall, if feasible, be updated to a date within thirty days of the prospectus.

Item 9:

Directors and officers

List the names and home addresses of all directors and officers of the issuer and indicate all positions and offices with the issuer held by each person named, and the principal occupations within the five preceding years, of each director and officer. Solely the municipality of residence or the postal address may be given, but the Commission may require the complete address.

Instructions:

Where the principal occupation of a director or officer is that of an officer of a company other than the issuer, state the principal business in which such company is engaged.

Item 10:

Directors' and officers' remuneration:

1. The information to be provided on directors' and officers' remuneration includes:

(1) the aggregate remuneration of directors and officers with the exception of the remuneration of directors;

(2) the aggregate remuneration of directors in their capacity as directors.

2. The remuneration in question includes the amounts and benefits granted to its directors and officers, during the last fiscal year, by the reporting issuer itself or by its affiliates, whether or not the amounts and benefits have been paid or are simply attributed to directors and officers.

It is presented in accordance with the following table, with the exception of options and subscription rights or warrants that are noted in the table.

TABLE OF REMUNERATION OF DIRECTORS AND OFFICERS

	Beneficiaries	Fixed remuneration		Conditional remuneration
		Sums of money	Benefits	
Aggregate remuneration of directors and officers with the exception of the remuneration of directors	Number of directors and of officers with the exception of those who only perform the duties of directors:			
Aggregate remuneration of directors with respect to their duties as directors	Number of directors and officers who perform their duties as directors:			
	Give the total number of directors and officers			

Instructions:

1. The remuneration for a part of the fiscal year during which an interested party has not performed the duties of director and of officer may be omitted, provided that the fact has been indicated in a note.

2. The aggregate remuneration is divided into two elements: fixed remuneration and conditional remuneration.

3. Fixed remuneration includes any remuneration the amount, payment and definite acquisition of which are not subject to any future and uncertain event.

It comprises three elements:

(1) the remuneration for the last fiscal year;

(2) the remuneration paid during the last fiscal year, for a prior fiscal year, less, up to and including a nil balance, any amount that has already been included in the table of a prior fiscal year or that would have been included if the interested party had been a director and officer during a prior fiscal year;

(3) the remuneration granted by a third party during the last fiscal year following a transaction concluded between the reporting issuer or one of its affiliates and the third party, and whose primary purpose is to obtain the remuneration.

4. The fixed remuneration is allocated to two classes: sums of money and benefits.

5. Remuneration in the form of sums of money includes salary, director's fees, commissions and bonuses.

6. The benefits obtained in the form of securities or other property are brought to their exact market value, following deduction, where applicable, of the price of acquisition.

The market value is appraised, as the case may be, on the date of the beneficiary's choice entitling him to the benefit, on the date of the final acquisition of the benefit or on that of those two dates that is closest to the end of the fiscal year.

7. Benefits from the insurance of persons are taken into account only to the extent that they are not offered, on the same terms, to all employees.

The value indicated is the cost of the bonuses or, in the case of accident insurance or hospital insurance, of the benefits paid by the reporting issuer or one of its affiliates.

8. Personal benefits are benefits that have no direct relationship with the performance of the duties of director and officer, that are provided by the reporting issuer or by one of its subsidiaries, including through the intermediary of a third person, and that benefit, directly or indirectly, a director and officer.

They are taken into account only to the extent that they are not offered, on the same terms, to a significant number of the staff.

9. The value indicated for personal benefits is the real marginal cost borne by the reporting issuer and its subsidiaries. However, if the cost is significantly lower than the price that the beneficiary should have paid otherwise, either the price must be recorded in a note or entered in the table instead of the real marginal cost.

10. Where studies would be necessary that are out of proportion with the value in question either to

determine to what extent benefits are personal rather than related to the performance of the duties of director and officer, or to establish the precise value of personal benefits, they may be omitted.

However, it must be determined beforehand, by a careful examination, that their aggregate value does not exceed 10 000 \$ for each director and officer and that their omission does not misrepresent the information provided in the table of remuneration.

11. The conditional remuneration includes any remuneration whose amount, payment or definite acquisition is subject to a future and uncertain event.

12. The value of the conditional remuneration is equal to the amounts attributable to the earnings of the last fiscal year by the reporting issuer or its subsidiaries under one of the following headings:

(1) pension plans, retirement plans, annuity contracts, deferred compensation plans or other similar plans;

(2) profit-sharing scheme or compensation plans in accordance with which the amount of the benefit is determined in relation to objective factors, in particular the quotation of securities of the reporting issuer or of another person;

(3) share purchase or subscription plans, participation plans for benefits, savings plans or other similar plans.

13. The value indicated must include all forms of conditional remuneration granted to directors and officers, whether or not they have been authorized by a resolution of the board of directors of the reporting issuer or of one of its subsidiaries.

14. Where the exact value of a form of conditional remuneration may not be determined, a brief description thereof must be given in a note.

The description includes an appraisal of the amounts that the reporting issuer and its subsidiaries intend to pay during subsequent fiscal year or, failing such, the total amount of the funds accumulated for future instalments, accompanied with the method for computing the latter.

15. The options and subscription rights or warrants granted to directors and officers and bearing on the securities of the reporting issuer or one of its subsidiaries are part of the remuneration.

They are taken into account only to the extent that they are not offered on a pro rata basis to all security holders.

16. The option, subscription right or warrant that is the subject of a significant extension of time or change is considered a new option, right or warrant.

17. With respect to options and subscription rights or warrants granted during the last fiscal year, the following information must be given:

(1) the description of the security and the number of shares referred to;

(2) the date of the issue, expiry date, price for the purchase or subscription of shares and the other important dispositions;

(3) the consideration received;

(4) the quotation of the security on the date of issuance.

18. With respect to the options taken up and the subscription rights or warrants exercised during the last fiscal year, the following information must be mentioned

(1) the description of the security and the number of shares purchased or subscribed for;

(2) the difference between the quotation of the security and the price for the purchase or subscription therefor.

If the quotation cannot be established, the impossibility of doing so must be indicated in a note.

Item 11:

Indebtedness of directors and officers

Provide the disclosure concerning each loan made to a director and officer, to a nominee for the position of director, or to a person associated with such director and officer or such nominee, to the extent that it is not routine indebtedness.

Instructions:

1. State the name and address of each person who received such a loan. The address may be given as the municipality of residence or a postal address.

2. State the largest aggregate amount of indebtedness outstanding towards the issuer and its subsidiaries by each of such persons during the last fiscal year, the nature of the indebtedness and the transaction in which it was issued, the balance outstanding and the rate of interest.

3. "Routine indebtedness" means indebtedness described in any the following clauses:

(1) a loan made on the same terms to employees generally and not exceeding 25 000 \$;

(2) a loan made to a full-time director and officer of the issuer, provided that the amount of the loan is less than his annual salary and is entirely guaranteed by a hypothec on his residence;

(3) a loan made to a director and officer who is not full-time or to a person associated with him, provided that the making of the loan is part of the ordinary business of the issuer, that the loan is granted on the same terms as to customers, that it does not involve an unusual risk of collectibility and that it does not exceed the greater of 200 000 \$ or 5 % of the shareholders equity for the aggregate of the loans made;

(4) a loan made at the time of purchases made under normal business conditions or resulting from advances against travel or entertainment expenses, provided that the terms of repayment are in accordance with business practice.

Item 12:

Options, rights and warrants

Provide disclosure concerning options, rights and warrants, except where they are assigned on the same terms to all the holders of securities of the same class residing in Canada, issued or to be issued by the issuer or its subsidiaries to any of the following groups of persons:

(1) the directors and officers of the issuer, except those who fulfil solely the duties of a director;

(2) the members of the issuer's board of directors, except those referred to in paragraph 1;

(3) the directors and officers of the issuer's subsidiaries;

(4) the employees of the issuer, except those referred to in paragraph 1;

(5) the employees of the issuer's subsidiaries;

(6) any other persons.

Instructions:

1. State the number of persons for the groups referred to in paragraphs 1 to 5. In the case of the group referred to in paragraph 6, give the names of the persons.

2. The information requested is closed not more than 30 days before the date of the preliminary prospectus or the pro forma prospectus.

3. Describe briefly:

(1) the designation and number of the securities to which are attached options, rights or warrants;

(2) the purchase or exercise price of the securities under option and the expiration dates of such options;

(3) if reasonably ascertainable, the market value of the securities to which are attached options, rights or warrants on the date of grant;

(4) the market value of the securities to which are attached options, rights or warrants at the date specified in paragraph 2 of the instructions.

4. An option, right or warrant whose term is extended is deemed to be a new option, right or warrant.

5. Where there is no market for the securities to which the options, rights or warrants are attached, indicate the method of determining the price of such securities at the date of purchase or exercise.

6. This item does not apply to options granted to a firm underwriter.

7. The information prescribed by this item may be submitted in tabular form.

Item 13:

Use of the net proceeds of the distribution

1. Indicate the net proceeds that the issuer expects to obtain from the distribution, the principal uses planned for the money, and the funds assigned for each use.

2. Provide the details of any agreement prescribing that any part of the net proceeds will be kept in trust or will only become available when certain conditions are fulfilled.

Instructions:

1. The information concerning use of the net proceeds must be sufficiently precise. In most cases, it is not sufficient to say that "the proceeds of the distribution will be allocated to the general needs of the business."

2. Indicate, in order of priority, the uses it is intended to make of the proceeds of the distribution in the case where they are less than expected. However, this information is not necessary in the case of a firm underwriting.

3. If considerable funds must be added to the proceeds of the distribution, indicate those sums and their source. If a considerable part of the proceeds of the distribution is allocated to retirement of a loan, indicate the use of those funds in the case of loans within the last two years.

4. If a considerable part of the proceeds of the distribution is used for the acquisition of property, outside the usual business of the issuer, describe briefly those properties and provide the details of the price paid or attributed for the different classes of property.

Indicate from whom the properties were acquired and how the cost of acquisition was established. Describe briefly the title of proprietorship or the rights that the issuer has acquired. Where the consideration for those properties includes securities of the issuer, provide all the details, including those concerning the attribution or issuance of securities of the same class during the two preceding years.

Item 14:

Coverage by assets and by earnings

Indicate the coverage by assets and by earnings where the prospectus refers to debt securities with maturities of more than one year or with preferred shares.

Item 15:

Shares

1. Describe the shares that are being offered and furnish the following information:

- (1) dividend rights;
- (2) voting rights;
- (3) liquidation or distribution rights;
- (4) pre-emptive rights;
- (5) conversion rights;
- (6) redemption, purchase for cancellation or surrender provisions;
- (7) conditions referring to sinking or purchase funds;
- (8) liability to further calls or to assessment by the issuer;
- (9) provisions as to modification of any such rights or provisions.

2. If the rights of holders of such shares may be modified otherwise than in accordance with the provisions attaching to such shares or provisions of the governing Act relating thereto, so state and explain briefly.

3. Where the shares (other than preferred shares) not conferring voting rights or conferring limited voting rights or securities convertible into shares of such type are issued, comply with the following provisions:

(1) the first page of the prospectus must state clearly that the shares offered do not confer voting rights or confer limited voting rights and, where applicable, that the securities offered may not be deposited in answer to a public bid;

(2) the prospectus must describe clearly the rights attached to the securities offered and to other classes of shares;

(3) where the issuer is not listed on a recognized stock exchange, it agrees to send to all potential holders of the securities offered the information sent to all the holders of voting securities and to summon them to any ordinary or special general meeting of shareholders.

Instructions:

1. Briefly state only the material conditions that are necessary for investors to appraise the security, without giving the text verbatim.

2. If the rights attached to the shares offered are substantially limited by those attached to another security or if a security (except bonds, discussed in Item 16) ranks ahead of or on a par with those shares, provide the necessary information concerning the other security so that the investor may appraise the rights attached to the shares. Where securities are offered in exchange, provide an appropriate description of the securities in exchange for which they are proposed. However, omit information respecting classes of securities that must be redeemed or otherwise retired where the measures required for redemption or retirement have been taken or will be taken before delivery of the shares being distributed.

3. The text of the clauses applying to the shares may be given in a schedule to the prospectus.

4. The issuer does not need to state that the securities offered may not be deposited in answer to a public bid where the incorporating documents contain provisions respecting the convertibility at the time of a public bid of its non-voting or restricted voting shares.

Item 16:

Bonds

Describe the bonds offered and their guarantees, providing the following information:

(1) rate of interest, maturity, redemption or any other method of retirement, sinking fund and conversion rights;

(2) the nature and rank of any guarantee, with identification of the principal properties assigned as guarantees;

(3) the clauses authorizing or restricting the issuance of securities or recourse to additional borrowings and any other clause prescribing a significant negative covenant, particularly restrictions respecting dividend distribution or the assignment as guarantees of assets of the issuer or its subsidiaries, and

the clauses respecting the release or substitution of assets given as guarantees or the amendment of terms of the guarantee;

(4) the name of the trustee appointed in any trust deed respecting the bonds and the nature of any material relationship between the trustee of the issuer or any of its subsidiaries;

(5) any agreement between the issuer and its affiliates or between affiliates that could affect the loan guarantee.

Instructions:

Follow the instructions of Item 15, *mutatis mutandis*.

Item 17:

Other securities

In the case of securities other than shares or bonds, indicate briefly the rights attached thereto. In the case of rights and warrants, provide the description and the value of the securities referred to, the period during which they may be exercised, the price and the principal modes of exercise.

Instructions:

Follow the instructions of Item 15, *mutatis mutandis*.

Item 18:

Principal holders of securities

1. For each class of voting securities of the issuer, a subsidiary or an affiliate give the number of securities held by each holder that owns more than 10 per cent of the securities in that class. If the securities are registered in the name of a person other than the owner, state that person's name. Give the names and addresses of the holders of securities and the percentage of securities held in each class.

PRINCIPAL HOLDERS OF SECURITIES

Name and address of holder	Class of security	Number of securities	Percentage in relation to securities in that class
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2. Indicate, for each class of voting securities of the issuer, of the company controlling it or a subsidiary of the issuer, the percentage of securities held by the directors and officers.

SECURITIES HELD BY DIRECTORS AND OFFICERS

Class of security	Percentage in relation to the securities of the class
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3. Where voting securities are offered under a subscription plan, an amalgamation or a capital reorganization, provide, as far as possible, the percentage of securities for each class of security that will be held by the principal holders following the transaction.

4. Where the securities are distributed on behalf of a holder, give the name of the holder, the number or the value of the securities that he holds, that he is distributing and that he will hold.

Instructions:

1. The information required by paragraphs 1 and 2 must be provided not more than 30 days before the date of the preliminary prospectus or the pro forma prospectus.

2. Where a company holds more than 10 % of the securities of a class, the Commission may require that the name of every holder of more than 10 % of the securities of each class of voting securities of that company be furnished.

3. Where, to the knowledge of the issuer or the distributor, more than 10 % of the securities of a class of voting securities are the subject of a voting trust agreement or any similar agreement, provide the description of that class, the number of or the value of the securities involved and the term of the agreement. Also provide the name and address of the trustees and describe briefly their voting rights and the other powers conferred by the agreement.

4. Where a person mentioned in answer to paragraph 1 is an associate of another person mentioned in the prospectus, indicate the nature of the relationship.

Item 19:

Directors and officers and other persons having an interest in material transactions

Describe briefly the interest of the following persons in any transaction completed during the three years preceding the date of the preliminary prospectus or the pro forma prospectus or in any proposed transaction that had or that will have a material effect on the issuer or on any of its subsidiaries:

- (1) a director and officer of the issuer;
- (2) a holder referred to in paragraph 1 of Item 18;
- (3) a person who is an affiliate or an associate of one of the persons referred to in paragraphs 1 and 2.

Instructions:

1. Provide a brief description of the transaction. Indicate the name and the address of each interested person and his relationship with the issuer.

2. Where there is a purchase or a sale of assets by the issuer or any of its subsidiaries, state the purchase price and the price paid by the vendor where the latter acquired them during the last two years preceding the transaction.

3. This item applies to interests held in the proprietorship of titles of the issuer solely where the holder receives a benefit that is not granted on the same terms to the other holders of the same class of securities.

4. Where one of the persons referred to by this item is a broker, or an affiliate or associate of a broker, provide information about any material commission or discount granted by the issuer for the distribution.

5. The information prescribed in this item is not required in the following cases:

(1) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(2) the interest of a specified person in the transaction is solely that of director of a company that is a party to the transaction;

(3) the transaction involves services as a bank or other depository of funds, transfer agent, registrar, trustee under a trust deed or other similar services;

(4) the interest of a specified person, including all periodic instalments in the case of any lease or other agreement providing for periodic payments or instalments, does not exceed 50 000 \$; or

(5) the transaction does not involve remuneration for services, provided

(a) the interest of a specified person arose from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of voting securities of another company that is a party to the transaction;

(b) the transaction is in the ordinary course of business of the issuer or of its subsidiaries;

(c) the transaction amounts to less than 10 % of the aggregate of the sales or purchases of the issuer and its subsidiaries during the last fiscal year.

6. Information need not be furnished in answer to this item by persons who have an interest in transactions that involve remuneration if that person owns less than 10 per cent of any class of voting securities of a company that is a party to the transaction.

Item 20:

Auditors, transfer agents and registrars

1. State the name and address of the auditor.

2. In the case of a share distribution, provide the names of the transfer agent and the registrar of the

issuer and indicate the city in which the registers of transfer of each class of shares are kept.

3. State the city where the registers of transfer of the issuer's securities are kept.

Item 21:

Financial statements and Auditor's report

Subject to section 65 of the Regulation, the short form prospectus presents the financial statements and the auditor's report prescribed in sections 34 et seq. of the Regulation.

Item 22:

Other material facts

State any other material fact that is likely to affect the value or the quotation of the securities being distributed.

Item 23:

Attestations

1. The short form prospectus must contain the following attestation signed by the issuer:

"This short form prospectus contains no misrepresentation".

The attestation is signed by the president and general manager of the issuer or by the person who performs similar duties, by the financial officer and by two other persons selected from the directors and authorized for the purpose. It is also signed by the promoter, if any, or by his agent where the Commission so authorizes.

The Commission may authorize the replacing of the signature of an officer by that of another officer.

2. In the case of a distribution made by a person other than the issuer, the short form prospectus must contain at the end the following attestation signed by the distributor:

"To our knowledge, this short form prospectus contains no misrepresentation".

The Commission may authorize the distributor to sign the attestation through an agent. Where there is more than one distributor, it is signed by the lead underwriter.

SCHEDULE VII
DISCLOSURE DOCUMENT
RESPECTING NEGOTIABLE OPTIONS
ON AN ORGANIZED MARKET

Item 1:
Warnings

The following warnings must appear on the first page of the disclosure document:

(1) "No securities commission or similar authority in Canada has ruled on the status of the securities offered in this document; any person who causes the contrary to be believed commits an infraction."

(2) "This document contains in a condensed form the disclosure respecting the securities offered. Additional information may be obtained from your broker."

Item 2:
Firm name

Provide on the first page the firm name and address of the head office of the person who sells the options and who has drawn up this document.

Item 3:
Market for negotiating options

Identify on the first page the markets on which the options offered are negotiated.

Item 4:
Description of the options

Describe the principal characteristics of the options.

Item 5:
Rules for negotiation

Describe the principal rules for negotiation of options, including position limits, due dates and coverage requirements.

Item 6:
Objectives and risks

1. Describe the principal strategies that may be used for buy and sell options.

2. Describe the risks involved in transactions on options, and particularly those involved in selling options short.

Item 7:
Secondary market

Indicate the operation of the market and the possibility of a buyer's or a seller's liquidating his position.

Item 8:
Taking up an option

Indicate briefly the procedures for taking up an option and what happens when an option expires without being taken up.

Item 9:
Tax consequences

Indicate briefly the tax consequences of the various types of transactions on options.

Item 10:
Commissions

Indicate how commissions are determined and to which transactions they apply.

SCHEDULE VIII
INFORMATION CIRCULAR —
SOLICITATION OF PROXIES

Item 1:
Right of revocation:

State whether the security holder giving the mandate has the power to revoke the proxy.

Briefly describe the terms and conditions of revocation and any limitation which the right may include.

Item 2:
Identification of the person making the solicitation:

1. If solicitation is made on behalf of the management of the reporting issuer, so state. Give the name of any director of the reporting issuer who has informed the management in writing that he intends to oppose any action intended to be taken by the management and indicate the action that he intends to oppose.

2. If a solicitation is made otherwise than on behalf of the management of the reporting issuer, so state and give the name of the person on whose behalf it is made.

3. If the solicitation is to be made otherwise than by mail, describe the method to be employed.

4. If the solicitation is to be made by specially engaged employees or soliciting agents, state the material features of any contract or arrangement for the solicitation and identify the parties to the contract or arrangement, and the cost or anticipated cost thereof.

5. State the name of the person by whom the cost of soliciting has been or will be borne.

Item 3:

**Interest of certain persons
in matters to be acted upon:**

Give brief particulars of any material interest, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon other than the election of directors or the appointment of auditors:

(1) if the solicitation is made on behalf of the management of the reporting issuer, each person who has been an officer of the reporting issuer at any time since the beginning of the last financial year of the reporting issuer;

(2) if the solicitation is made otherwise than on behalf of the management of the reporting issuer, each person on whose behalf the solicitation is made;

(3) each proposed nominee for election as a director of the reporting issuer;

(4) each associate or affiliate of any of the foregoing persons referred to in subparagraphs 1 to 3.

Instructions:

1. The following persons shall be deemed to be persons on whose behalf the solicitation is made:

(1) any member of a group that solicits proxies, and any person who, acting alone or with one or more other persons, engages in organizing, directing or financing any such group;

(2) any person who contributes more than 250 \$ to finance the solicitations of proxies;

(3) any person who lends money, provides credit or enters into any other arrangements, pursuant to any contract with a person on whose behalf a solicitation is made, for the purpose of financing the solicitation or making certain recommendations respecting securities or voting of securities of the reporting issuer. However, this provision does not include a bank or other lending institution or a broker that, in the ordinary course of business, lends money or executes orders for the purchase or sale of securities.

2. The following persons shall be deemed not to be persons on whose behalf a solicitation is made, unless

they are referred to in subparagraph 1 of the instructions:

(1) any person employed by a person on whose behalf a solicitation is made to solicit proxies or any person who merely transmits proxy-soliciting material or performs ministerial or clerical duties;

(2) any person employed by a person on whose behalf a solicitation is made in the capacity of advocate, accountant, or advertising, public relations or financial adviser and whose activities are limited to the performance of his duties;

(3) a director and officer, except a director, or an employee of the reporting issuer or any of its affiliates;

(4) the director and officer or employee of any other person on whose behalf a solicitation is made.

Item 4:

**Voting securities and principal holders
of voting securities**

1. State as to each class of voting securities, the number of securities outstanding and the particulars of voting rights for each security of each such class.

2. Give the record date as of which the security holders entitled to vote at the meeting will be determined or particulars as to the closing of the security transfer register, as the case may be, and, if the right to vote is not limited to security holders of record as of a specified record date, indicate the conditions under which security holders are entitled to vote.

3. If, to the knowledge of the directors and officers of the reporting issuer, any person exercises control or direction over voting securities carrying more than 10 per cent of the voting rights attached to any class of voting securities of the reporting issuer, name each such person, state the number of the securities over which control or direction is exercised by each such person and the percentage of the class of outstanding voting securities of the reporting issuer represented by the number of voting securities so controlled.

Item 5:

Election of directors:

1. Provide the following information, in tabular form, for each person proposed to be nominated for election as a director of the reporting issuer and each other person whose term of office as a director will continue after the meeting:

(1) Name and identify as such each proposed director of the reporting issuer and name each director of the reporting issuer whose term of office has not expired;

(2) State when the term of office for each director and proposed director will expire;

(3) State only the last position held in the reporting issuer, or a parent or subsidiary thereof;

(4) State the present principal occupation and for whom such occupation is carried on.

2. Provide the following additional information for each person proposed to be nominated for election as a director:

(1) Furnish information as to all of the principal occupations of each proposed director within the five preceding years, unless he is now a director and was elected to his present term of office by a vote of security holders at a meeting, the notice of which was accompanied by an information circular. Give the name and principal business of any person for whom any such employment is carried on;

(2) If the proposed director is or has been a director of the reporting issuer, state the period or periods during which he has served as such;

(3) State the number of securities of each class of voting securities of the reporting issuer or of any subsidiary of the reporting issuer over which control is exercised;

(4) If any proposed director is to be elected pursuant to any arrangement between the nominee and any other person, except the directors and officers of the reporting issuer acting solely in such capacity, name the other person and describe briefly the arrangement.

3. State whether the Board of Directors of the reporting issuer has an executive committee and name those directors who are members of each such committee.

State whether the Board of Directors of the reporting issuer is required to have an audit committee and name those directors who are members of each such committee.

4. If voting securities carrying more than 10 per cent of the voting rights attached to all voting securities of the reporting issuer or of a subsidiary of the reporting issuer are controlled by any proposed director and his associates or affiliates, state the number of securities of each class of voting securities controlled by the associates or affiliates, naming each associate or affiliate whose security holdings are 10 per cent or more.

Item 6:

Directors' and officers' remuneration:

1. The information to be provided on directors' and officers' remuneration includes:

(1) the aggregate remuneration of directors and officers with the exception of the remuneration of directors;

(2) the aggregate remuneration of directors in their capacity as directors.

2. The remuneration in question includes the amounts and benefits granted to its directors and officers, during the last fiscal year, by the reporting issuer itself or by its affiliates, whether or not the amounts and benefits have been paid or are simply attributed to directors and officers.

It is presented in accordance with the following table, with the exception of options and subscription rights or warrants that are noted in the table.

TABLE OF REMUNERATION OF DIRECTORS AND OFFICERS

	Beneficiaries	Fixed remuneration		Conditional remuneration
		Sums of money	Benefits	
Aggregate remuneration of directors and officers with the exception of the remuneration of directors	Number of directors and of officers with the exception of those who only perform the duties of directors:			
Aggregate remuneration of directors with respect to their duties as directors	Number of directors and officers who perform their duties as directors:			
	Give the total number of directors and officers			

Instructions:

1. The remuneration for a part of the fiscal year during which an interested party has not performed the duties of director and of officer may be omitted, provided that the fact has been indicated in a note.

2. The aggregate remuneration is divided into two elements: fixed remuneration and conditional remuneration.

3. Fixed remuneration includes any remuneration the amount, payment and definite acquisition of which are not subject to any future and uncertain event.

It comprises three elements:

(1) the remuneration for the last fiscal year;

(2) the remuneration paid during the last fiscal year, for a prior fiscal year, less, up to and including a nil balance, any amount that has already been included in the table of a prior fiscal year or that would have been included if the interested party had been a director and officer during a prior fiscal year;

(3) the remuneration granted by a third party during the last fiscal year following a transaction concluded between the reporting issuer or one of its affiliates and the third party, and whose primary purpose is to obtain the remuneration.

4. The fixed remuneration is allocated to two classes: sums of money and benefits.

5. Remuneration in the form of money includes salary, director's fees, commissions and bonuses.

6. The benefits obtained in the form of securities or other property are brought to their exact market value, following deduction, where applicable, of the price of acquisition.

The market value is appraised, as the case may be, on the date of the beneficiary's choice entitling him to the benefit, on the date of the final acquisition of the benefit or on that of those two dates that is closest to the end of the fiscal year.

7. Benefits from the insurance of persons are taken into account only to the extent that they are not offered, on the same terms, to all employees.

The value indicated is the cost of the bonuses or, in the case of accident insurance or hospital insurance, of the benefits paid by the reporting issuer or one of its affiliates.

8. Personal benefits are benefits that have no direct relationship with the performance of the duties of director and officer, that are provided by the reporting issuer or by one of its subsidiaries, including through the intermediary of a third person, and that benefit, directly or indirectly, a director and officer.

They are taken into account only to the extent that they are not offered, on the same terms, to a significant number of the staff.

9. The value indicated for personal benefits is the real marginal cost borne by the reporting issuer and its subsidiaries. However, if the cost is significantly lower than the price that the beneficiary should have paid otherwise, either the price must be recorded in a note or entered in the table instead of the real marginal cost.

10. Where studies would be necessary that are out of proportion with the value in question either to determine to what extent benefits are personal rather than related to the performance of the duties of director and officer, or to establish the precise value of personal benefits, they may be omitted.

However, it must be determined beforehand, by a careful examination, that their aggregate value does not exceed 10 000 \$ for each director and officer and that their omission does not misrepresent the information provided in the table of remuneration.

11. The conditional remuneration includes any remuneration whose amount, payment or definite acquisition is subject to a future and uncertain event.

12. The value of the conditional remuneration is equal to the amounts attributable to the earnings of the last fiscal year by the reporting issuer or its subsidiaries under one of the following headings:

(1) pension plans, retirement plans, annuity contracts, deferred compensation plans or other similar plans;

(2) profit-sharing scheme or compensation plans in accordance with which the amount of the benefit is determined in relation to objective factors, in particular the quotation of securities of the reporting issuer or of another person;

(3) share purchase or subscription plans, participation plans for benefits, savings plans or other similar plans.

13. The value indicated must include all forms of conditional remuneration granted to directors and officers, whether or not they have been authorized by a resolution of the board of directors of the reporting issuer or of one of its subsidiaries.

14. Where the exact value of a form of conditional remuneration may not be determined, a brief description thereof must be given in a note.

The description includes an appraisal of the amounts that the reporting issuer and its subsidiaries intend to pay during subsequent fiscal year or, failing such, the total amount of the funds accumulated for future instalments, accompanied with the method for computing the latter.

15. The options and subscription rights or warrants granted to directors and officers and bearing on the securities of the reporting issuer or one of its subsidiaries are part of the remuneration.

They are taken into account only to the extent that they are not offered on a prorata basis to all security holders.

16. The option, subscription right or warrant that is the subject of a significant extension of time or change is considered a new option, right or warrant.

17. With respect to options and subscription rights or warrants granted during the last fiscal year, the following information must be given:

(1) the description of the security and the number of shares referred to;

(2) the date of the issue, expiry date, price for the purchase or subscription of shares and the other important dispositions;

(3) the consideration received;

(4) the quotation of the security on the date of issuance.

18. With respect to the options taken up and the subscription rights or warrants exercised during the last fiscal year, the following information must be mentioned:

(1) the description of the security and the number of shares purchased or subscribed for;

(2) the difference between the quotation of the security and the price for the purchase or subscription therefor.

If the quotation cannot be established, the impossibility of doing so must be indicated in a note.

Item 7:

Indebtedness of directors and officers:

Provide information on any indebtedness in regard to each director or officer of the company, each proposed nominee for election as a director of the company and each associate or affiliate of any such director or officer or proposed nominee, but no disclosure need be made of routine indebtedness.

Instructions:

1. State the name and home address in full or, alternatively, solely the municipality of residence or postal address of each person whose indebtedness is described.

2. State with respect to each such issuer or subsidiary the largest aggregate amount of indebtedness outstanding at any time during the last completed financial year, the nature of the indebtedness and of the transaction in which it was incurred, the amount thereof presently outstanding, and the rate of interest paid or charged thereon.

3. "Routine indebtedness" means

(1) loans made on equal terms to employees generally and not exceeding 25 000 \$;

(2) a loan made to a director and officer who is a full-time employee, provided the amount of the loan does not exceed his annual salary and is fully secured against his residence;

(3) a loan made to a person other than a full-time employee, provided the issuer makes loans in the ordinary course of business, that a loan shall be made under the same conditions as to customers and shall involve no unusual risk of collectibility;

(4) indebtedness arising by reason of purchases made on usual trade terms or of ordinary travel or expense advances, if the repayment arrangements are in accord with usual commercial practice.

Item 8:

Interest of insiders and other persons in material transactions:

Give a brief description of the following persons in any material transaction carried out since the commencement of the last financial year or in any proposed transaction which has materially affected or would materially affect the reporting issuer or any of its subsidiaries:

(1) an insider of the reporting issuer;

(2) a proposed nominee for election as a director;

(3) an associate or affiliate of such insider or proposed nominee.

However, it is not necessary to repeat this information if it has already been given in a proxy circular.

Instructions:

1. Give a brief description of the material transaction. State the name and address of each interested person and his relationship with the reporting issuer.

2. As to any transaction involving the purchase or sale of assets by the reporting issuer or any subsidiary, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost of the assets to the seller if acquired by the seller within two years prior to the transaction.

3. This item does not apply to any interest arising from the ownership of securities of the reporting issuer where the security holder receives no extra or special benefit or advantage not shared on a prorata basis by all holders of the same class of securities.

4. Where one of the persons referred to in this item is an underwriter, an associate or affiliate, include information as to any material underwriting discounts

or commissions upon the sale of securities by the reporting issuer.

5. No information need be given in answer to this item as to any transaction or any interest therein where:

(1) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(2) the interest of the specified person in the transaction is solely that of a director of another company that is a party to the transaction;

(3) the interest of the specified person involves services as a chartered bank or other depository of funds, transfer agent, registrar, trustee under a trust deed or other similar services;

(4) the interest in the transaction of the specified person must not be for more than 50 000 \$, taking into account any periodic instalment provided for in the contract, for example in the case of a lease;

(5) the transaction does not involve remuneration for services, provided the following conditions are met:

(a) the interest of the specified person arose from the beneficial ownership of less than 10 per cent of any class of voting securities of another company that is a party to the transaction;

(b) the transaction is in the ordinary course of business of the reporting issuer or its subsidiaries;

(c) the amount of the transaction or series of transactions is less than 10 per cent of the total sales or purchases, as the case may be, of the reporting issuer and its subsidiaries for the last financial year.

6. Information shall be furnished in answer to this item with respect to transactions not excluded above which involve remuneration to any of the specified persons for services in any capacity unless the interest of the person arises solely from the beneficial ownership of less than 10 per cent of any class of voting securities of a company furnishing the services.

Item 9:

Appointment of auditor:

1. If action is to be taken with respect to the appointment of an auditor, name the auditor of the reporting issuer.

If the auditor was first appointed within the last five years, state the date when the auditor was first appointed.

2. Where it is proposed that the auditor of the reporting issuer, or of one of its major subsidiaries, be relieved of his duties or that another auditor be appointed in his place, give the following information:

(1) the date of the taking of effect of the auditor's resignation or his refusal to renew his term of office, or the date on which it is recommended that the auditor be relieved of his duties, as the case may be;

(2) a description of all the disagreements to be declared and, if it can be reasonably determined or quantified, the impact of the choice or the decision that has been the subject of the disagreements on the net earnings or net loss and the financial position of the reporting issuer;

(3) a description of the nature of any reservation in the auditor's reports on the annual financial statements for the two fiscal years preceding the date mentioned in paragraph 1 and any similar reservation contained in the auditor's reports or comments on the periodical financial statements for any subsequent period at the end of the last fiscal year preceding the same date;

(4) where the board of directors of the reporting issuer has an audit committee, a declaration specifying whether the proposal to change the auditor has been approved by the audit committee, or if it was made contrary to the proposal of the audit committee;

(5) a letter from the auditor, whose term of office has terminated and whose relief has been proposed, addressed to the Commission, indicating his agreement or disagreement with the information given in the proxy circular in accordance with this paragraph.

Instructions

1. In answer to 2 of paragraph 2, the disagreements to be declared are as follows:

(1) those that occurred in relation to the audits of the last two fiscal years and any subsequent period preceding the date mentioned in 1 of paragraph 2;

(2) those that occurred at the decisional level, namely the disagreements that occurred between the personnel of the reporting issuer responsible for the presentation of its financial statements and the personnel of the office of certified public accountants responsible for authorizing reports and comments respecting the reporting issuer;

(3) those that concern the extent of or the procedures of auditing, accounting principles or practices, or the data entered in the financial statements;

(4) those that brought the auditor to mention the subject of the disagreement in his report on the audited financial statements or in his comments on the interim financial statements that have not been audited;

(5) those that would have brought the auditor, if he had completed his term of office, to mention such matters in his report or comments.

2. Where there is no disagreement to be declared, mention it.

3. Where there has been no reservation in the reports or comments referred to in 3 of paragraph 2, mention it.

4. Within a reasonable time period before distributing the proxy circular, the management of the reporting issuer presents to the auditor the information that will be given in accordance with 2 of paragraph 2, in such a way as to allow the auditor to draft the letter referred to in 5 of paragraph 2.

5. Where the auditor does not agree with the information that will be given in the proxy circular, the auditor must mention the reasons for his disagreement in the letter provided for 5 of paragraph 2.

6. 2 of paragraph 2 does not apply in the following cases:

(1) a changing of auditor of a subsidiary of the reporting issuer where it is proposed that the auditor of that subsidiary be replaced by the auditor of the parent company;

(2) a changing of auditor where the change is required by law.

Item 10:

Management contracts:

Where management functions of the reporting issuer or any subsidiary are to any substantial degree performed by a person other than the directors and officers of the reporting issuer or subsidiary.

1. Give details of the agreement under which the management functions are performed, including the name and address of any person who is a party to the agreement or who is responsible for performing the management functions;

2. Give the names and home addresses of the insiders of any person with whom the reporting issuer or subsidiary has any such agreement and, if the following information is known to the officers of the reporting issuer, give the names and addresses of any person that would be an insider of any person with whom the reporting issuer or subsidiary has any such agreement if the person was a reporting issuer;

3. With respect to any person named in answer to paragraph 1 state the amounts paid or payable by the reporting issuer and its subsidiaries to the person since the commencement of the last financial year and give particulars;

4. With respect to any person named in answer to paragraph 1 or 2 and their associates or affiliates, give particulars of,

(1) any indebtedness of the person, associate or affiliate to the reporting issuer or its subsidiaries that was outstanding, at any time since the commencement of the reporting issuer's last financial year;

(2) any transaction or agreement of the person, associate or affiliate with the reporting issuer or subsidiary, at any time since the commencement of the reporting issuer's last financial year.

Instructions:

1. Solely the municipality of residence or postal address of each person may be given, but the Commission may then request the home address in full.

2. It is not necessary to give information of relative insignificance.

3. In giving particulars of indebtedness, state the largest aggregate amount of indebtedness granted by the reporting issuer or one of its subsidiaries to each of these persons during the last financial year, the nature of the indebtedness and of the transaction in which it was incurred, the amount of the indebtedness presently outstanding and the rate of interest paid or charged on the indebtedness.

4. It is not necessary to include as indebtedness amounts due from the particular person for purchases subject to usual trade terms, for ordinary travel and expense advances, if the repayment arrangements are in accord with usual commercial practice.

Item 11:

Particulars of matters to be acted upon:

1. If action is to be taken on any matter other than the approval of financial statements, the substance of the matter, or related groups of matters, should be briefly described, to the extent where it has not been done already. Give sufficient details to permit security holders to form a reasoned judgement concerning the matter.

Such matters include alterations of share capital, charter or by-law amendments, acquisitions or dispositions of assets, amalgamations, mergers or reorganizations.

2. Where a reorganization or similar restructuring is involved, reference should be made to a prospectus form or issuer bid form for guidance as to what is material.

3. If the matter is one that is not required to be submitted to a vote of security holders, the reasons for submitting it to security holders should be given and a statement should be made as to what action is intended to be taken by management in the event of a negative vote by the security holders.

SCHEDULE IX INFORMATION RESPECTING THE REPORTING ISSUER

The reporting issuer that fulfills the conditions prescribed in section 18 of the Act provides only the information mentioned in Part A if it also fulfills the conditions prescribed in sections 153 to 156 of the Regulation; otherwise, it shall also provide the information mentioned in Part B.

PART A

Item 1:

Name and incorporation of reporting issuer:

State full corporate name of the reporting issuer, the address of its head office and principal office, the law under which the reporting issuer was incorporated and the date of incorporation. If material, state whether its deed of incorporation has been amended.

Item 2:

Business of the reporting issuer:

Briefly describe the business carried on and intended to be carried on by the reporting issuer and its subsidiaries and the general development of the business. If the business consists of the production or distribution of different kinds of products or the rendering of different kinds of services, indicate what the main products or services are.

Include the business of subsidiaries of the reporting issuer only in so far as is necessary to understand the character and development of the business conducted by the combined enterprise.

In describing developments, with respect to the reporting issuer or its subsidiaries, information shall be given as to matters such as the following:

- (1) material reorganization;
- (2) acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business;
- (3) material changes in the mode of conducting the business.

State briefly the location and general character of the principal properties, including buildings and plants, of the reporting issuer and its subsidiaries. If any property is hypothecated so state and briefly describe the nature of the hypothec. Detailed descriptions of the physical characteristics of individual properties or legal descriptions are not required and should not be given.

In the case of a natural resource company other than an oil or gas company, establish at the end of the last financial year of the reporting issuer, material information respecting production, mineral deposits, reserves of proven, probable or possible ore, (including the estimated tonnage and grade of each such class of ore-reserves), the location and size of the property, the exploration and development of properties, the nature of the right under which the property of the reporting issuer or its subsidiaries is owned or operated.

In the case of oil or gas companies, give the following information:

(1) the quantity and type of the estimated proved and developed reserves, proved undeveloped reserves, and probable additional reserves of crude oil, natural gas and natural gas liquids, including the interest in the production of any other person, during the last two financial years of the reporting issuer;

(2) the net crude oil, natural gas liquids and natural gas production, including the interest in the production of any other person, during the last two financial years of the reporting issuer;

(3) the number of wells the reporting issuer or its subsidiaries have drilled or have participated in the drilling of, during the two last financial years of the reporting issuer; the number of wells completed as producing wells and as dry holes during that period the amount expended on drilling and exploration activities during that period;

(4) installations and other material properties owned, leased or held under option, or intended to be owned by the reporting issuer or a subsidiary at the end of the last financial year of the reporting issuer;

(5) the location, by fields, of all producing wells and all non-unitized wells capable of producing in which the reporting issuer or its subsidiaries have an interest; the total number of wells in each such field or other area, the interest of the reporting issuer and its subsidiaries therein expressed in terms of net wells, distinguishing separately oil wells and gas wells;

(6) with respect to interests in properties on which no producing wells have been drilled, the gross acreage, the nature of the interest of the reporting issuer or its subsidiaries at the end of the last financial year of the reporting issuer and the extent of the interest therein expressed in terms of net leasable acreage, and the location of such acreage by geographical area.

If the quantity and type of reserves are based on the estimates of an independent expert, he should be named. If reference is made to such estimate, the general manager may request the filing of the complete report. The report is not part of the information with respect to the reporting issuer.

Item 3:

Principal financial disclosures:

Give the following consolidated financial disclosure:

(1) for each of the last five financial years of the reporting issuer:

- (a) net sales or total proceeds;
- (b) profits or losses without taking into account extraordinary items, total and per share;
- (c) total assets;
- (d) the total amount of long-term loans and that of redeemable preferred shares;
- (e) dividends per share;
- (f) net earnings (total and per share).

(2) For the last eight quarters:

The disclosure in subparagraphs *a*, *b* and *f* of paragraph 1.

Briefly describe factors such as a change in accounting policies, the combination of two or more activities or the disposition of a part of the assets of the reporting issuer which have a significant effect on the comparison of these disclosures.

Item 4:

Analysis of the financial position and operating results:

Briefly explain any substantial variations, both favourable and adverse, in the operating results, changes in financial position and in the balance sheet that have occurred over the last two years.

Describe also the capacity of the reporting issuer and the subsidiaries to obtain, from their own assets or by loan, the funds needed to fulfill their obligations during the current financial year. Pay special attention to the needs and commitments of the reporting issuer and the subsidiaries in respect of working capital, capital expenditures, the reimbursement of loans and the payment of dividends.

Item 5:

Market for the negotiation of securities:

Identify the markets on which the common shares of the reporting issuer are negotiated.

Item 6:

Dividends

Indicate, for each class of shares, the frequency and amount of dividends per share declared during the last two financial years of the reporting issuer and briefly

describe any limitation on its present or future capacity to declare or pay a dividend.

Item 7:

Important subsidiaries:

Furnish a list of active subsidiaries indicating the law under which they were incorporated, the place of incorporation, and the percentage of voting securities owned by the reporting issuer.

The name of any subsidiary whose total consolidated assets do not exceed 10 000 000 \$ may be omitted if:

(1) the assets of the subsidiary or the investment in and advances to the reporting issuer and other subsidiaries in the latter do not exceed 10 per cent of the total consolidated assets of the reporting issuer;

(2) the sales and operating revenues of the subsidiary do not exceed 10 per cent of the equivalent consolidated item of the reporting issuer; and

(3) the unnamed subsidiaries considered in the aggregate satisfy the conditions in 1 and 2 by replacing 10 per cent by 20 per cent.

Item 8:

Directors and officers:

List the names and home addresses of all directors and officers of the reporting issuer, indicate their present positions and the principal occupations during the last five years.

Indicate the periods during which each director has acted as such and give the dates of expiry of his term of office.

Give the number of voting securities of the reporting issuer or a subsidiary owned or controlled by each director and officer.

Item 9:

Additional disclosure:

Mention that other disclosure, including disclosure on the remuneration of directors and officers, indebtedness of directors and officers, principal holders of securities of the reporting issuer, as well as the interests of insiders in material transactions are presented in the most recent circular drawn up for the solicitation of proxies. Mention also that the additional financial disclosure is in the comparative financial statement closed at the end of the last financial year. Mention that these documents are made available to the public under the conditions provided for in section 87 of the Act.

PART B**Item 10:****Operations of the reporting issuer:**

Provide the information prescribed in Item 9 of Schedule I instead of that prescribed in Item 2 of this Schedule.

Item 11:**Acquisitions and dispositions:**

Provide the information prescribed in Item 11 of Schedule I.

Item 12:**Description of immovables:**

Provide the information prescribed in Item 12 of Schedule I.

Item 13:**Dividend record:**

Provide the information prescribed in Item 20 of Schedule I instead of that prescribed in Item 6 of this Schedule.

Item 14:**Prior of future sales:**

Provide the information prescribed in Item 28 of Schedule I.

The following items apply only to credit companies.

Item 15:**Additional financial information:**

Provide the information prescribed in Item 34 of Schedule I.

Item 16:**Relationships with other companies:**

Provide the information prescribed in Item 35 of Schedule I.

Item 17:**Location of securities subject to a trust Deed and depository of portfolio securities:**

Provide the information prescribed in Item 38 of Schedule I.

Item 18:**Statement of functions of issuer:**

Provide the information prescribed in Item 39 of Schedule I.

Item 19:**Associated persons:**

Provide the information prescribed in Item 40 of Schedule I.

SCHEDULE X**DISCLOSURE RESPECTING AN INCORPORATED MUTUAL FUND OR AN UNINCORPORATED MUTUAL FUND****Item 1:****Firm name and incorporation of the reporting issuer**

Provide the firm name of the reporting issuer, the address of its head office, the Act under which it was incorporated and the date of incorporation. State any material change in its deed of incorporation.

Item 2:**Affairs of the reporting issuer**

1. Describe briefly the affairs of the reporting issuer.

2. Where the reporting issuer has carried on an activity during the last five years other than that of an incorporated mutual fund or an unincorporated mutual fund, state that activity and give the approximate date on which it began to operate as an incorporated mutual fund or unincorporated mutual fund. In the case of a change of firm name during that period, state the former name and the date of the change. Provide information on points like the following:

(1) bankruptcy, sequestration or other similar proceedings;

(2) material reorganization.

3. Where, during the last two years, an affiliate of the reporting issuer has had an interest in a transaction contemplating the acquisition of a material part of the assets of the reporting issuer, describe the nature of that interest and indicate the cost of the property for the purchaser and the vendor.

Item 3:

Appraisal of securities for purposes of subscription or redemption

1. Describe briefly the method followed by the reporting issuer to establish the price at which its securities are offered for subscription and redeemed.

Instructions

1. Indicate the intervals at which securities are appraised and the time at which the price established takes effect.

2. Describe the rules followed for appraising the assets and liabilities of the reporting issuer for the purpose of determining the break-up value per share or per unit and state any derogation from those rules during the last three years.

3. Explain in detail any difference between the subscription price and the redemption price.

2. Indicate the subscription charges as a percentage of the total amount paid by the subscriber and as a percentage of the net amount invested in the issuer's securities. Indicate, where applicable, the redemption charges as a percentage of the redemption price.

Instructions

1. Where the subscription or redemption charges vary with the amount of the transaction, give the rates.

2. Indicate briefly any difference in the subscription charges collected at the time of a subscription related to the conversion or exchange of securities or to reinvestment of dividends.

3. In this Schedule, "purchase charges" means any administrative charges, including charges related to the setting up and administration of a savings plan.

4. By giving in detail the subscription charges related to a savings plan, indicate at what time during the term of the plan the charges are levied.

5. Provide complete information concerning the right of a subscriber to a savings plan to obtain the reimbursement of the subscription charges in the case where the plan terminates before its due date.

3. Indicate briefly any right or obligation to reinvest dividends in the securities of the reporting issuer.

4. Indicate, where applicable, the penalty for anticipated redemption.

Item 4:

Diversification of assets

Provide in tabular form the following information closed not more than 30 days before the date of this document respecting every artificial person 5% or more of any class of whose securities are held by the reporting issuer:

Firm name and head office address	Principal activity	Percentage of securities of the class belonging to the reporting issuer	Percentage of the assets of the reporting issuer invested in those securities
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Item 5:

Investment policy

Where the issuer follows or intends to follow one of the following practices, so indicate, stating the rules that apply. Indicate to what extent the issuer has followed those practices during the last five years. Indicate what rules may not be changed without the consent of the holders of the issuer:

(1) the issuing of securities other than those contemplated by this prospectus;

(2) the borrowing of money;

(3) the firm underwriting of securities issued by other issuers;

(4) the concentration of its investments in a particular sector of activity;

(5) the purchase and sale of immoveables;

(6) the purchase and sale of commodities and commodity future contracts;

(7) the granting of loans;

(8) the investment in a set proportion of the assets in a particular type of securities (e.g., bonds, preferred shares, financial securities, etc.);

(9) the investment of more than 10% of the assets of the issuer in the securities of another issuer;

(10) the acquisition of more than 10% of the securities of an issuer;

(11) the acquisition of securities for the purpose of exercising control or management;

- (12) the acquisition of securities of an incorporated mutual fund or of an unincorporated mutual fund;
- (13) the purchase or sale of mortgages;
- (14) the purchase of securities on margin and the selling short of securities;
- (15) the acquisition of securities that are not fully paid up;
- (16) the acquisition of securities for which there is no market and securities whose resale is restricted;
- (17) the acquisition of the securities of foreign issuers;
- (18) the acquisition of gold or gold certificates;
- (19) the pledging or hypothecating of the issuer's property;
- (20) the sale of portfolio securities to directors and officers of the issuer or of the manager, or the purchase of securities from those persons;
- (21) the underwriting of the securities or the commitments of another issuer;
- (22) the purchase of options and rights or warrants;
- (23) the sale, long or short, of options traded on stock exchanges;
- (24) the acquisition of securities that may require the purchaser to meet calls for funds in addition to the purchase price;
- (25) any investment other than securities.

Instructions

1. It is not necessary to refer to practices that the issuer has not followed and does not intend to follow.
2. For the purposes of paragraph 7, the underwriting of debt securities as an investment is not considered to be the granting of a loan.
3. For the purposes of paragraph 16, in the case where the issuer invests in securities whose resale is restricted, describe how those securities are appraised for the purpose of computing their break-up value.

Item 6: Promoter

Where there has been a promoter of the reporting issuer during the five preceding years, provide the following information:

- (1) its name, the nature and value of any consideration received or receivable from the reporting issuer;

- (2) the nature and value of the property, services or other consideration received or receivable from the promoter by the reporting issuer;

- (3) where the reporting issuer has acquired during recent years or must acquire an asset of a promoter, indicate the price of acquisition and the method of determining the price. Identify the person who established that price, and indicate any connection between that person and the reporting issuer or the promoter. Indicate the cost and the date of acquisition by the promoter of that asset.

Item 7:

Litigation in progress

Describe briefly any material litigation in which the reporting issuer is a party or that refers to any of its properties.

Instructions

Indicate the designation of the court or the agency having jurisdiction, the date on which the suit was filed, the principal parties involved, the nature of the petition and the amount claimed. State whether the proceedings are contested and indicate the present status of the proceedings.

Item 8:

Dividends

Indicate the amount of dividends per share or per unit, including reinvested dividends, or of any other distribution made during each of the last five financial years.

Item 9:

Directors and officers and trustees

Provide the name and address of each director and officer and each trustee of the reporting issuer, his present duties and the principal positions held during the last five years.

Instructions

1. The address may be given simply as the place of residence or the postal address, but the Commission may require the complete address.

2. Where the principal duties of a director and officer consist of a management position with another company, indicate the principal activity of that company.

Item 10:

Remuneration of directors, officers and trustees:

1. The information to be provided on directors' and officers' remuneration includes:

(1) the aggregate remuneration of directors and officers with the exception of the remuneration of directors;

(2) the aggregate remuneration of directors in their capacity as directors.

For an unincorporated mutual fund, provide information with respect to the trustees of the fund.

2. The remuneration in question includes the amounts and benefits granted to its directors and officers, during the last fiscal year, by the reporting issuer itself or by its affiliates, whether or not the amounts and benefits have been paid or are simply attributed by the directors and officers.

It is presented in accordance with the following table, with the exception of options and subscription rights or warrants that are noted in the table.

TABLE OF REMUNERATION OF DIRECTORS AND OFFICERS

Beneficiaries		Fixed remuneration		Conditional remuneration
		Sums money	Benefits	
Aggregate remuneration of directors and officers with the exception of the remuneration of directors	Number of directors and of officers with the exception of those who only perform the duties of directors:			
Aggregate remuneration of directors with respect to their duties as directors	Number of directors and officers who perform their duties as directors:			
	Give the total number of directors and officers			

Instructions:

1. The remuneration for a part of the fiscal year during which an interested party has not performed the duties of director and of officer may be omitted, provided that the fact has been indicated in a note.

2. The aggregate remuneration is divided into two elements: fixed remuneration and conditional remuneration.

3. Fixed remuneration includes any remuneration the amount, payment and definite acquisition of which are not subject to any future and uncertain event.

It comprises three elements:

(1) the remuneration for the last fiscal year;

(2) the remuneration paid during the last fiscal year, for a prior fiscal year, less, up to and including a nil balance, from any amount that has already been included in the table of a prior fiscal year or that would have been included if the interested party had been a director and officer during a prior fiscal year;

(3) the remuneration granted by a third party during the last fiscal year following a transaction concluded between the reporting issuer or one of its affiliates and the third party, and whose primary purpose is to obtain the remuneration.

4. The fixed remuneration is allocated to two classes: sums of money and benefits.

5. Remuneration in the form of sums of money includes salary, director's fees, commissions and bonuses.

6. The benefits obtained in the form of securities or other property are brought to their exact market value, following deduction, where applicable, of the price of acquisition.

The market value is appraised, as the case may be, on the date of the beneficiary's choice entitling him to the benefit, on the date of the final acquisition of the benefit or on that of those two dates that is closest to the end of the fiscal year.

7. Benefits from the insurance of persons are taken into account only to the extent that they are not offered, on the same terms, to all employees.

The value indicated is the cost of the bonuses or, in the case of accident insurance or hospital insurance, of the benefits paid by the reporting issuer or one of its affiliates.

8. Personal benefits are benefits that have no direct relationship with the performance of the duties of director and officer, that are provided by the reporting issuer or by one of its subsidiaries, including through the intermediary of a third person, and that benefit, directly or indirectly, a director and officer.

They are taken into account only to the extent that they are not offered, on the same terms, to a significant number of the staff.

9. The value indicated for personal benefits is the real marginal cost borne by the reporting issuer and its subsidiaries. However, if the cost is significantly lower than the price that the beneficiary should have paid otherwise, either the price must be recorded in a note or entered in the table instead of the real marginal cost.

10. Where studies would be necessary that are out of proportion with the value in question either to determine to what extent benefits are personal rather than related to the performance of the duties of director and officer, or to establish the precise value of personal benefits, they may be omitted.

However, it must be determined beforehand, by a careful examination, that their aggregate value does not exceed 10 000 \$ for each director and officer and that their omission does not misrepresent the information provided in the table of remuneration.

11. The conditional remuneration includes any remuneration whose amount, payment or definite acquisition is subject to a future and uncertain event.

12. The value of the conditional remuneration is equal to the amounts attributable to the earnings of the last fiscal year by the reporting issuer or its subsidiaries under one of the following headings:

(1) pension plans, retirement plans, annuity contracts, deferred compensation plans or other similar plans;

(2) profit-sharing scheme or compensation plans in accordance with which the amount of the benefit is determined in relation to objective factors, in particular the quotation of securities of the reporting issuer or of another person;

(3) share purchase or subscription plans, participation plans for benefits savings plans or other similar plans.

13. The value indicated must include all forms of conditional remuneration granted to directors and officers, whether or not they have been authorized by a resolution of the board of directors of the reporting issuer or of one of its subsidiaries.

14. Where the exact value of a form of conditional remuneration may not be determined, a brief description thereof must be given in a note.

The description includes an appraisal of the amounts that the reporting issuer and its subsidiaries intend to pay during subsequent fiscal year or, failing such, the total amount of the funds accumulated for future instalments, accompanied with the method for computing the latter.

15. The options and subscription rights or warrants granted to directors and officers and bearing on the securities of the reporting issuer or one of its subsidiaries are part of the remuneration.

They are taken into account only to the extent that they are not offered on a prorata basis to all security holders.

16. The option, subscription right or warrant that is the subject of a significant extension of time or change is considered a new option, right or warrant.

17. With respect to options and subscription rights or warrants granted during the last fiscal year, the following information must be given:

(1) the description of the security and the number of shares referred to;

(2) the date of the issue, expiry date, price for the purchase or subscription of shares and the other important dispositions;

(3) the consideration received;

(4) the quotation of the security on the date of issuance.

18. With respect to the options taken up and the subscription rights or warrants exercised during the last fiscal year, the following information must be mentioned:

(1) the description of the security and the number of shares purchased or subscribed for;

(2) the difference between the quotation of the security and the price for the purchase or subscription therefor.

If the quotation cannot be established, the impossibility of doing so must be indicated in a note.

Item 11:

Loans to directors and officers

Provide disclosure concerning every loan made to a director and officer, a candidate for the duties of a director, or to an associate of a director and officer or such a candidate, to the extent that it is not an ordinary loan.

Instructions

1. Provide the name and address of any person who is the beneficiary of such a loan. The place of residence or the postal address will suffice.

2. Provide the highest outstanding balance of loans granted by the reporting issuer or its subsidiaries to each of those persons during the last financial year, the nature of the loan and the transaction which gave effect to it, the current balance and the rate of interest.

3. "Routine indebtedness" means:

(1) a loan granted on the same terms to all the employees and not exceeding 25 000 \$;

(2) a loan granted to a director and officer who performs his duties full time, provided that the loan was for less than his annual salary and was entirely secured by a hypothec on his residence;

(3) a loan granted to a director and officer who does not perform his duties full time or to an associate, provided that the granting of credit forms part of the normal affairs of the reporting issuer, that the loan is granted on the same terms as to customers, that it involves no unusual risks of collectibility, and that it does not exceed the greater of 200 000 \$ or 5 % of the equity of the shareholders for the aggregate of the loans granted;

(4) a loan granted at the time of purchases made on normal business terms or resulting from advances of travel or entertainment allowances, provided that the terms of repayment comply with business practice.

Item 12:

Depository of portfolio securities

1. Provide the name, the address of the principal establishment and the nature of the affairs of any depository of portfolio securities of the reporting issuer and the place where the securities are kept. The name of the depository may be omitted if it is a bank governed by the Bank Act (S.C. 1980-81-82, c. 40) or with the consent of the Commission.

2. Indicate briefly the content of the agreement made with the depository.

Item 13:

Performance of principal duties

1. Describe briefly the manner in which the following duties of the reporting issuer are performed and name the persons responsible for them, indicating how the duties are coordinated, and to the extent to which any of those duties is not performed by the employees of the reporting issuer, the name and address of the persons responsible for performing those duties:

(1) the management of the reporting issuer, except portfolio management;

(2) portfolio management;

(3) analysis of investments;

(4) investment recommendations;

(5) investment decisions;

(6) portfolio transactions and contracts related to their execution;

(7) distribution of the securities offered.

2. Provide the name and address of each of the directors and officers of the artificial persons mentioned in answer to paragraph 1.

3. Indicate the method of determination of management charges and state the total charges paid for each of the last 5 completed financial years and during the current financial year. This information is closed not more than 30 days before the date of this document.

4. Indicate in what circumstances the management contract may be terminated.

5. Declare any conflict of interests or any possibility of conflict of interests between the reporting issuer and the persons named in answer to paragraph 1.

Instructions

1. The place of residence or a postal address may be given as address, but the Commission may request the complete address.

2. With respect to information concerning distribution of securities, provide only the name and address of the principal distributor.

3. With respect to the information concerning portfolio transactions and contracts for performing them, provide only the name and address of the principal broker and brief details on the following subjects:

(1) the total cost of the securities acquired by the reporting issuer during the last financial year, identifying:

(a) securities issued or guaranteed by a government or one of its subdivisions;

(b) short term notes;

(c) other securities;

(2) the total cost of the securities in the portfolio at the beginning and end of the last financial year of the reporting issuer;

(3) the method or the criteria used to assign the execution of transactions to persons involved in distributing the securities of the reporting issuer;

(4) the method or the criteria used to assign the execution of transactions to suppliers of services (statistics, research, etc.) of the reporting issuer or the manager;

(5) the commission paid to the principal broker during the last three financial years, indicating the amount paid each year and the percentage represented by that amount of the aggregate of the commissions paid by the reporting issuer.

4. If one or more persons perform more than one set of duties referred to in this item, so state and provide details of all the duties performed.

5. For the purposes of this Schedule, the term "principal broker" means:

(1) a person through whose agency portfolio transactions of the reporting issuer are effected on the terms of a contractual agreement with the reporting issuer or its manager providing for an exclusive right or any other provision intended to grant a significant competitive advantage over other brokers for executing those transactions;

(2) a person through whose agency at least 15 % of the portfolio transactions of the reporting issuer were effected during the last financial year, and affiliates.

6. In spite of the fact that it is a principal broker within the meaning of paragraph 5, a person may, with the consent of the Commission, be deemed not to be a principal broker for the application of any of the items in this Schedule.

Item 14:

Associates of the reporting issuer

Provide, in respect of any person mentioned in answer to paragraph 1 of Item 13, the following information:

1. If the person:

(1) is an associate of the reporting issuer;

(2) is a director and officer of an artificial person that is associated with any affiliate of the reporting issuer or is associated with that artificial person;

(3) is a director and officer of an artificial person associated with the reporting issuer or is associated with that artificial person,

so state and give details of the relationship.

2. If the reporting issuer:

(1) is associated with that person;

(2) is associated with an artificial person affiliated with that person;

(3) is associated with an artificial person that is associated with that person,

so state and give details of the relationship.

3. If a person associated with the reporting issuer is also associated with the person mentioned, so state and give details of the relationship.

4. If the person has signed a contract with the reporting issuer, describe it briefly, indicate the method of fixing the remuneration of that person and give the amount of the remuneration paid or payable by the

reporting issuer to that person during the last financial year of the reporting issuer.

5. If a person mentioned in answer to paragraph 1 of Item 13 is an associate of another person mentioned therein, so state and give details of the relationship.

6. Whenever the Commission so requires, state the professional experience of that person and, in case of an artificial person, of the directors and officers.

Item 15:

Principal holders

1. Provide, for each class of voting securities of the reporting issuer or of the manager, the number of securities held by each holder of more than 10% of the securities of that class. If the securities are registered in the name of a person other than the owner, indicate the name of that person. Provide the name and address of the holders and the percentage of securities held in each class of securities.

Name and address of holder	Reporting issuer or manager	Class of security	Number of securities	Percentage of total securities of the class
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2. If a person whose name is given in answer to paragraph 1 holds more than 10 %

(1) of the securities of a class of voting securities of the principal distributor or principal broker or of the company controlling them or their subsidiary;

(2) of proprietary rights in the business of the principal distributor or the principal broker of the reporting issuer,

give the percentage represented by those securities or those rights.

3. Indicate for each class of voting securities:

(1) of the reporting issuer, of the parent company or of a subsidiary, the percentage held by the aggregate of the directors and officers and the trustees of the reporting issuer;

(2) of the manager, of the parent company or of a subsidiary, the percentage held by the aggregate of the directors and officers of the manager.

Firm name	Reporting issuer or relationship with it	Class of security	Percentage of total securities of the class
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Instructions

1. The information required by paragraphs 1 and 3 of this item is presented in tabular form and is closed not more than 30 days before the date of this document.

2. Where an artificial person is the holder of more than 10 % of the securities of a class of securities of the reporting issuer, the Commission may require that the name of any person who owns more than 10 % of the securities of a class conferring voting rights on that artificial person be declared.

3. In determining whether a person is the holder of more than 10 % of the securities of a class of voting securities, all the securities held must be considered, whether or not they are registered in the name of that person.

4. Where voting securities are offered under a subscription plan, amalgamation or reorganization, provide, as far as possible the percentage of securities, for each class of securities, that will be held by the principal holders following the transaction.

5. Where, to the knowledge of the reporting issuer or the manager, more than 10 % of the securities of a class of voting securities are subject to a voting trust agreement or a similar agreement, provide the description of that class, the number or the amount of the securities that are so subject, and the term of the agreement. Provide also the name and address of the trustees and describe briefly their voting rights and the other powers granted by the agreement.

6. Where, to the knowledge of the reporting issuer, of the parent company, the manager or its parent company, a person mentioned in the answer to paragraph 1 is an associate of another person mentioned in the prospectus or is an artificial person affiliated with that other person, indicate the nature of those connections.

Item 16:

Directors and officers and other persons having an interest in material transactions

Describe briefly the interest of the following persons in any material transaction executed during the three years preceding the date of this document or in any proposed transaction that had or will have a material

effect on the reporting issuer or on any of its subsidiaries:

- (1) the manager of the reporting issuer;
- (2) the principal distributor of the reporting issuer;
- (3) the principal broker of the reporting issuer;
- (4) a director and officer or a trustee of the reporting issuer or of the persons mentioned in 1, 2 and 3;
- (5) any security holder named in answer to paragraph 1 of Item 15; and
- (6) any associate or affiliate of any of the foregoing persons.

Instructions:

1. Give a brief description of the material transaction. Include the name and address of each person whose interest in any transaction is described and the nature of the relationship with the issuer.

2. Where there is a purchase or sale of assets by the reporting issuer, to the extent that it is not an ordinary transaction, give the purchase price and the price paid by the seller where the latter acquired them during the two years preceding the transaction.

3. This item applies to interests held in the ownership of securities of the reporting issuer only where the holder receives a benefit that is not granted on the same terms to the other holders of the same class of securities.

4. The disclosure prescribed by this item is not required in the following cases:

- (1) the tariff or the charges are established by law or result from competition;
- (2) the person has an interest in the transaction only as a director of a company that is a party to the transaction;
- (3) the interested person intervenes as a bank or other depository of funds, a transfer agent, a registrar, a trustee under a trust deed or in similar duties;
- (4) the interested person must not receive more than 50 000 \$, including any periodic payment prescribed by the contract, for example, in the case of a lease;
- (5) the interested person receives no remuneration for the transaction, provided that the following conditions are met:

(a) it has an interest as owner in less than 10 % of the securities of a class of security of a company that is a party to the transaction;

(b) it is an ordinary transaction executed within the normal affairs of the reporting issuer.

5. A person who has an interest owing to the remuneration received for services is exempted from furnishing the disclosure prescribed by this item if its interest as owner comprises less than 10 % of the voting securities of a company that is a party to the transaction.

Item 17:

Material contracts

Provide disclosure concerning any material contract signed by the reporting issuer during the two years preceding the date of this document; provide the date of the contract the names of the parties and a brief description. Indicate the conditions in which the contracts may be consulted during the distribution.

Instructions

1. Draw up a list of all the material contracts, indicating those described elsewhere in this document or in the simplified prospectus and providing disclosure respecting the others. Do not include contracts signed as part of normal affairs.

2. In the case where the disclosure respecting a contract, without being indispensable to the protection of investors would risk compromising the benefit derived therefore, the Commission may authorize the omission of its description.

Item 18:

Other material facts

Provide disclosure concerning any other material fact in regard to the reporting issuer.

SCHEDULE XI

DISCLOSURE NOTE RESPECTING A TAKEOVER BID OR AN EXCHANGE BID

Item 1:

The offeror

Provide the firm name and a brief description of its affairs.

Item 2:

The offeree

Provide its firm name.

Item 3:

Ownership of securities of the offeree

Provide the number and description of the securities of the offeree held by the following persons at the date of the offer:

- (1) the offeror;
- (2) an associate of the offeror;
- (3) a director and officer of the offeror and his associates;

(4) a person who holds securities of the offeror conferring more than 10 % of the voting rights attached to a class of voting securities.

Item 4:

Transactions in the securities of the offeree

Provide the following information respecting the acquisition or sale of securities of the offeree by a person mentioned in Item 3 during the six months preceding the date of the bid:

- (1) the description of the security;
- (2) the number of securities bought or sold;
- (3) the purchase or sale price;
- (4) the date of the transaction.

The disclosure required in paragraphs 2, 3 and 4 is provided only if it is known. If no securities are held, so state.

Item 5:

Terms of the bid

Provide the terms of the bid and the cases in which the offeror plans to withdraw the bid.

Item 6:

Payment for the securities

Indicate the method of payment for the securities and the settlement date.

Item 7:

Right of cancellation

State that the deposit of securities in reply to the bid may be cancelled by written notice to the depository, received within ten days beginning from the taking effect of the bid or the amended bid.

Item 8:**Availability of funds**

State the provisions made by the offeror to ensure the availability of the funds needed to pay for the securities that are subject to the bid.

Item 9:**Trading of securities of the offeree and securities offered as consideration**

Provide the following disclosure concerning trading in securities of the offeree and any offered as consideration:

- (1) the market on which they are traded;
- (2) the volume of securities traded and the highest and lowest quotations for the six-month period preceding the date of the bid;
- (3) the last quotation of the securities before the date of the public advertisement of the bid.

Indicate the date of the public advertisement of the bid.

Item 10:**Agreements between the offeror and the directors and officers of the offeree**

Provide the details of any agreement made or planned between the offeror and the directors and officers of the offeree, in particular concerning any payment or other benefit granted as compensation for the loss of their positions or respecting their continuing or ceasing to perform their duties if the bid is favourably received.

Item 11:**Agreements between the offeror and a holder of securities of the offeree**

Provide the details of any agreement between the offeror and a holder of securities of the offeree in respect of the bid.

Item 12:**Business relations between the offeror and the offeree**

Provide details of any material business relations between the offeror and the offeree.

Item 13:**Purpose of the bid and subsequent plans**

Provide the following information:

- (1) the purpose of the bid;

(2) where the purpose of the bid is to acquire effective control of the offeree, the plans of the offeror to liquidate the offeree, to lease its property or dispose of it, to amalgamate it or to make any other major change in its affairs, its organization, its management, its personnel or its dividend policy.

Item 14:**Material changes in the affairs of the offeree**

Provide the details of any information known to the offeror regarding any major change in the affairs of the offeree since the date of its last published interim or annual financial statements.

Item 15:**Appraisal**

Where an appraisal is furnished, provide a summary of it. The summary must include the method of computation, the extent of the examination and the principal hypotheses upon which the appraisal is based. It must also indicate the amount of any benefit due to a holder of securities at completion of the bid.

Indicate the place where the appraisal may be consulted and mention the rights of security holders of the class contemplated to obtain a copy of it by paying reproduction and mailing costs.

Item 16:**Rights of withdrawal and acquisition**

Mention any right of withdrawal that holders of securities of the offeree may have under the law governing it. Indicate whether the offeror intends to exercise the rights of acquisition of securities of the offeree that he may have.

Item 17:**Purchases in the open market**

Indicate whether the offeror intends to buy in the open market securities of the class subject to the bid.

Item 18:**Other material facts**

State any other material fact likely to affect the value or the quotation of the securities of the offeree. Mention any other information known to the offeror, but not yet published, that might influence the response of the holders to the bid.

Item 19:**Consent to the use of an expert: report**

Where the disclosure note mentions, by reason of the standing attached to his profession, the name of a person, such as a lawyer, an auditor, an accountant, an engineer, a geologist or an appraiser who has drawn up or certified part of the disclosure note or who has made an appraisal or drawn up a report used in the preparation of the disclosure note, the written consent of that person must be filed with the Commission with the disclosure note or reproduced in it.

Item 20:**Approval of the disclosure note**

Where the bid is made by an artificial person or on its behalf, state that the contents of the disclosure note and its publication have been authorized by the board of directors.

Item 21:**Date of the disclosure note**

Indicate the date of the disclosure note.

SCHEDULE XII**THE CIRCULAR OF THE BOARD OF DIRECTORS****Item 1:****The offeror**

Provide its name.

Item 2:**The offeree**

Provide its name.

Item 3:**Composition of the board of directors of the offeree**

Provide the names of the offeree's directors.

Item 4:**Ownership of the offeree's securities**

Provide the number and designation of the securities of the offeree held by the following persons on the date of the bid:

(1) an officer and director of the offeree and affiliates;

(2) a person who holds securities of the offeree conveying more than 10 % of the voting rights attached to a class of voting securities.

The disclosure is provided if it is known.

If no securities are held, so state.

Item 5:**Acceptance of the bid by the directors and officers of the offeree**

Where the information is known to the directors and officers of the offeree, provide the names of the persons referred to in Item 4 who have accepted or intend to accept the bid, as well as the number of securities that each one has deposited or intends to deposit.

Item 6:**Ownership of the offeror's securities**

Where a bid is made by an issuer or on his behalf, provide the number and designation of the offeror's securities held by the following persons on the date of the bid:

(1) a director and officer of the offeree and affiliates;

(2) a person who holds securities of the offeree conveying more than 10 % of the voting rights attached to a class of voting securities.

The disclosure is provided if it is known. If no securities are held, so state.

Item 7:**Agreements between the offeror and the directors and officers of the offeree**

1. Provide the details of any agreement reached or proposed between the offeror and the directors and officers of the offeree, particularly in regard to any payment or other benefit granted as indemnity for the loss of their positions or in regard to their retaining or losing their positions if the bid is accepted.

2. Provide the names of the directors and officers of the offeree who are also directors and officers of the offeror or of a subsidiary of the offeror.

Item 8:**Participation of the directors and officers of the offeree in a transaction to which the offeror is a party**

Describe the nature and extent of any participation of the following persons in a material transaction to which the offeror is a party:

(1) a director and officer of the offeree;

(2) an affiliate of a director and officer of the offeree;

(3) a person who holds securities of the offeree conveying more than 10 % of the voting rights attached to a class of voting securities.

Item 9:

Transactions in securities of the offeree

Provide, where known to the directors and officers, the following disclosure respecting the acquisition or sale of securities of the offeree during the six months preceding the date of the bid by a person mentioned in Item 4:

- (1) the description of the security;
- (2) the number of securities acquired or sold;
- (3) the purchase or sale price;
- (4) the date of the transaction.

Item 10:

Additional disclosure

Where information in a disclosure note provided by the offeror has been presented in a misleading manner, correct the facts.

Item 11:

Material change in the affairs of the offeree

Provide any disclosure known to a director and officer of the offeree that indicates a material change in its affairs since the date of its last interim or annual financial statements.

Item 12:

Other disclosure

Provide any other disclosure known to the directors and officers, but not yet published, that is likely to influence the response of the holders to the bid.

Item 13:

Recommendations

1. Where the offeree's board of directors recommends acceptance or refusal of the bid, indicate the reasons for the recommendation;

2. Where the offeree's board of directors makes no recommendation to accept or refuse the bid, indicate the reasons for the decision;

3. Where the offeree's board of directors intends to make a recommendation to accept or refuse the bid after the sending of the circular of the board of directors, it may advise security holders of the offeree not to deposit their securities before receiving a further

communication from the board informing them of its recommendation and the reasons therefor.

Item 14:

Consent to use of expert's report

Where the circular of the board of directors mentions, by reason of the standing attached to his profession, the name of a person who is a lawyer, an auditor, an accountant, an engineer, a geologist or an appraiser who drew up or certified part of the circular or who made an appraisal or drew up a report used in preparing the circular, the written consent of that person must be filed with the Commission with the circular or reproduced in it.

Item 15:

Approval of the circular

State that the contents of the circular of the board of directors have been approved, and that its distribution has been authorized by the offeree's directors.

Item 16:

Financial statements

Where the unaudited financial statements of the offeree are included in the circular of the board of directors, enclose a declaration of the financial officer of the offeree stating that in his opinion the financial statements present fairly the financial position of the offeree and the results of its operations for the period under consideration.

Item 17:

Date of the circular

Indicate the date of the circular.

SCHEDULE XIII

DIRECTOR AND OFFICER'S NOTICE

Item 1:

The offeror

Provide its name.

Item 2:

The offeree

Provide its name.

Item 3:
The author of the notice

Provide the name of the officer who prepared the notice.

Item 4:
Ownership of the securities of the offeree

Provide the number and description of the securities of the offeree held by the director and officer and by associates.

If no securities are held, so state.

Item 5:
Acceptance of bid

State whether the director and officer has accepted or intends to accept the bid and give the number of securities he has deposited or intends to deposit. Provide the same disclosure for each associate.

Item 6:
Ownership of the offeror's securities

Where a bid is made by an issuer or on his behalf, provide the number and description of the securities of the offeror held by the director and officer and by associates.

Item 7:
Agreements between the offeror and a director and officer

Provide details of any agreement reached or proposed between the offeror and a director and officer, particularly in respect of any payment or other benefit granted as indemnity for the loss of their positions or respecting their retaining or losing their positions if the bid is favourably received.

State whether the director and officer is also a director and officer of the offeror or of one of its subsidiaries.

Item 8:
Participation of a director and officer in a transaction to which the offeror is a party

Describe the nature and extent of any participation by a director and officer and by associates in a material transaction to which the offeror is a party.

Item 9:
Additional disclosure

Where disclosure contained in a disclosure note drawn up by the offeror contains a misrepresentation, correct the information.

Item 10:
Material changes in the affairs of the offeree

Provide any disclosure known to a director and officer that indicates a material change in the affairs of the offeree since the date of its last interim or annual financial statements, to the extent that it is not already known to the public and the director and officer considers that it has not been correctly presented in the disclosure note or in the circular of the board of directors.

Item 11:
Other disclosure

Provide any other disclosure known to a director and officer, but not yet published, that might influence the response of the holders to the bid.

Item 12:
Recommendation

Provide the recommendation of the director and officer, with the reasons therefor.

Item 13:
Consent to the use of an expert's report

Where the notice of a director and officer mentions, by reason of the standing attached to his profession, the name of a person, such as a lawyer, an auditor, an accountant, an engineer, a geologist or an appraiser, who has drawn up or certified part of the notice or who has made an appraisal or drawn up a report used in preparing the notice, the written consent of that person must be filed with the Commission with the notice, or reproduced in it.

Item 14:
Date of the notice

Indicate the date of the notice.

SCHEDULE XIV
ISSUER BID CIRCULAR

Item 1:
Name of issuer

State the firm name.

Item 2:
Securities sought

State the class and number (shares) or principal amount (debt) of securities sought.

Item 3:
Time period

State the dates on which the issuer bid will commence and close.

Item 4:
Method of acquisition

State the method by which the securities will be acquired, and the procedures for accepting the bid, and for taking delivery of securities deposited.

Item 5:
Consideration offered

State the consideration to be offered.

Where the securities of an issuer are offered as consideration, state:

(1) the disclosure and the financial statements required by the Regulation for a prospectus of the issuer whose securities are offered as consideration;

(2) any information known to the issuer that indicates a material change in its affairs since the date of its last interim or annual financial statements.

Item 6:
Payment for deposited securities

State the particulars of the method and time of payment of the consideration.

Item 7:
Right to withdraw deposited securities

State that any securities deposited pursuant to the issuer bid may be withdrawn by written notice to the depository at any time until the expiration of ten days from the effective date of the issuer bid, or the amended bid.

Item 8:
Sources of funds

State the arrangements made by the issuer to provide funds to pay for the securities. If such funds are to be borrowed, the terms of the loan, the circumstances under which it must be repaid and the proposed method of repayment.

Item 9:
Participation

Where the issuer bid is for less than all of the outstanding securities of that class, state that if a greater number or principal amount of the securities are tendered than the issuer is bound or willing to take up and pay for, the issuer will take up as nearly as may be prorata, disregarding fractions, according to the number or principal amount of the securities tendered.

Item 10:
Reasons for the issuer bid

State the purpose and business reasons for the issuer bid.

Item 11:
Volume of trading in securities to be acquired

Furnish the following information concerning trading in securities of the class to be acquired:

(1) the name of each stock exchange on which the securities sought are listed,

(2) for the 12 months preceding the date of the issuer bid, the volume of trading and price range of the class of the securities sought,

(3) the market price of the securities of the issuer immediately before the issuer bid was announced to the public.

State the date on which the issuer bid was announced to the public.

Item 12:
Beneficial ownership of securities of the issuer

State the number and the designation of any securities of the issuer beneficially owned or over which control or direction is exercised at the date of the bid by:

(1) each director or officer or other insider of the issuer;

(2) each associate of an insider in respect of the issuer;

(3) every associate or affiliate of the issuer.

The disclosure required in paragraph 2 is furnished only if it is known.

Item 13:

Acceptance by insiders, affiliates and associates

Where known after reasonable inquiry to the directors and officers of the issuer, state the names of every person named in Item 12 who proposes to tender or accept the issuer bid.

Item 14:

Benefits from the issuer bid

State the direct or indirect benefits to any of the persons named in item 12 of accepting or refusing to accept the issuer bid.

Item 15:

Material changes in the affairs of the issuer

Disclose the particulars of any plans or proposals for material changes in the affairs of the issuer, including, for example, any contract or agreement under negotiation, any proposal to liquidate the issuer, to sell, lease or exchange all or a substantial part of its assets, to amalgamate it with any other business organization, or to make any material changes in its business, corporate structure (debt or equity), management or personnel.

Item 16:

Other benefits to insiders, affiliates and associates

If any material changes are contemplated, state any specific benefit, direct or indirect, as a result of such changes to any of the persons named in item 12.

Item 17:

Arrangements between the issuer and security holder

Provide the details of any contract, arrangement or understanding between the issuer and

(1) any security holder of the issuer;

(2) any person with respect to any securities of the issuer.

Item 18:

Previous purchases and sales

State the number and designation of any securities of the issuer purchased or sold by the issuer excluding

securities purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights during the twelve months preceding the date of the issuer bid. State the purchase or sale price, the date and purpose of each transaction.

Item 19:

Financial statements

If the bid is made more than 10 days after the end of the three month period referred to in section 78 of the Act, include the quarterly financial statements and, in all other cases, include a statement that the most recent quarterly financial statements will be sent without charge to anyone requesting them.

Item 20:

Appraisal

Where an appraisal is provided, include a summary of the appraisal. The summary should include the basis of computation, scope of review, and the key assumptions on which the appraisal is based. It must also indicate the extent of any advantage accruing to a security holder of the issuer after completion of the issuer bid.

Advise where copies of the appraisal are available for inspection and state that a copy of the appraisal will be sent to any registered security holder of the class upon payment of a nominal charge sufficient to cover printing and postage.

Item 21:

Approval of the disclosure

A disclosure must include:

(1) a declaration that the disclosure has been approved and its distribution authorized by the issuer's board of directors;

(2) name of any director of the issuer who has informed the board of directors in writing of his opposition to the disclosure;

(3) Where the issuer bid is part of a transaction or to be followed by a transaction required to be approved by minority security holders, state the nature of the approval required.

Item 22:

Previous distribution

If the securities of the class subject to the issuer bid were distributed during the five years preceding the bid, state the distribution price per share and the aggregate proceeds received by the issuer or selling security holder.

Item 23:

Dividend policy

Give the following information:

(1) the frequency and amount of dividends with respect to shares of the issuer during the two years preceding the date of the issuer bid;

(2) any restrictions on the issuer's ability to pay any dividends;

(3) any plan or intention to declare a dividend or to alter the dividend policy of the issuer.

Item 24:

Tax consequences

Provide a general description of the consequences of the issuer bid under Québec income tax legislation to the issuer and to the security holders of any class affected.

Item 25:

Expenses of the issuer bid

Provide a statement of the expenses incurred or to be incurred in connection with the issuer bid.

Item 26:

Other material facts

State the particulars of any other material facts about the issuer bid. State any other material facts not previously published and likely to influence the response of security holders to the bid.

Item 27:

Date of disclosure

Indicate the date of the disclosure.

SCHEDULE XV

**AUDITED ANNUAL STATEMENT
OF THE BROKER'S FINANCIAL POSITION**

Item 1:

Statement of financial position

Present the following items of the statement of the broker's financial position dealing with the most recent fiscal year and presented in comparison with that of the preceding year.

Assets

Cash

Accounts receivable

Accounts – brokers

Other accounts

Securities held at market value

Other assets (indicate basis of appraisal)

Liabilities

Borrowings on pledge

Accounts payable

Accounts – brokers

Securities sold short at market value

Capital stock (including borrowings described in section 202 of the Regulation and undistributed earnings)

Item 2:

Auditor's report

Attach the auditor's report

FORM 1

Name of insider (Instruction No. 3)	Address of the insider
-------------------------------------	------------------------

Reporting issuer (a)	Relations with reporting issuer (b)	Description of securities (c)	Nature of the control (d)	Date of the transaction (e)	Nature of the transaction (f)	Number of securities or total par value		Unit price (h)	Current balance (i)
						Purchases (g)	Dispositions (g)		

Additional notes (Instruction No. 4)

Date

Signature (Instruction No. 5)

INSTRUCTIONS

Send this declaration within the time limits prescribed by sections 96 to 103 of the Québec Securities Act.

File two copies for each reporting issuer listed in column 1.

Complete by machine or in block letters.

1. Essential information of the insider declaration:

(a) Enter the name of each reporting issuer in respect of whom the insider declares his control or a change in control.

(b) Indicate the relation with each reporting issuer by using the following symbols:

symbol

- (1) the reporting issuer itself K
- (2) a subsidiary of the reporting issuer H
- (3) a person whose control of the securities of the reporting issuer involves more than 10% of the voting rights attached to out-standing securities B
- (4) a director and officer of the reporting issuer D
- (5) a director and officer of a subsidiary of the reporting issuer d

(6) a director and officer of a person referred to in subparagraph 3 b

(c) Provide a complete description of the securities: class, rate of return, series, maturity, privileges attached to the securities. Transactions on options and on any other rights attached to a security must also be described. Use a separate line for each class of securities.

(d) Indicate the nature of the control over the securities: ownership (p) or control (c).

(e) Indicate the date (year, month, day) of each transaction.

(f) State the nature of the transaction:

- Purchase under a plan P
- Purchase or disposition of a buy option OA
- Purchase or disposition of a sell option OV
- Purchase or disposition carried out privately. N
- Purchase or disposition carried out on the market, including the taking up of an option O
- Acquisition or disposition by gift G
- Acquisition or disposition by legacy A
- Selling short AD
- Consideration of an initial share V

— Conversion or exchange	E
— Initial declaration	DI
— Share dividend	T
— Stock split	V
— Exercice of subscription warrants	F
— Exercice of subscription rights	X
— Registration in the name of a third party, except the case of transfer of guarantee made in good faith (section 102 of the Act)	Q
— Redemption	R
— Remuneration	C
— Capital reorganization	J
— Corrected declaration	#

(g) Indicate the number of securities for the shares and the aggregate par value for the debt securities.

(h) Enter the unit price paid or received for each share or debt security on the day of the transaction, not including commission.

(i) Enter the total number of securities of each reporting issuer over which control is held. In the case of the acquisition or disposition of an option, enter only the total number of contracts.

2. No declaration is required where no control is held over the issuer's securities.

3. In the case of a first declaration, complete only columns (a), (b), (c), (d) and (i).

4. Add any supplementary explanation considered helpful for a clear understanding of the declaration, for example, declare whether control is exercised through a company, a retirement savings plan, a trust, etc.

5. A declaration filed by a company must be signed by an authorized person. A proxy must be filed by the agent signing the declaration on behalf of a natural person. If the declaration contains more than one page, each page must be signed.

Send it to the following address:

Commission des valeurs mobilières du Québec
C.P. 246, Tour de la Bourse
Montréal, QC
H4Z 1G3

Tél.: (514) 873-5326

Télex: 05-268761

FORM 2**APPLICATION FOR REGISTRATION AS A BROKER OR A SECURITIES ADVISER*****SECTION A****1. Applicant**

Name Securities broker
Securities adviser

Address of principal establishment Tel.:

Domicile elected in Québec Tel.:

Name of person to contact

2. Categories of brokers and securities advisers

Check the appropriate box:

(1) Securities broker

(a) full practice (b) restricted practice
 — issuer-distributor**
 — mutual fund or inc. m. f.
 — investment contracts
 — other (state)

Do you intend to offer portfolio management services? YES NO

(2) Securities adviser

(a) full practice (b) restricted practice

3. Fiscal year

Closing Year Month Day
 date

4. Auditor

Name

Address

** Any natural person applying for registration as a security broker or adviser must also complete Form 3.

** An issuer-distributor need not answer items 7F, 12 and 17.

5. Banks

Names of all the banks or *caisses populaires*, including the addresses of all branches where the applicant keeps a line of credit or an account.

Name	Address

6. Directors and officers (complete list)

Each director and officer must complete Form 3.

Name	Address	Position

7. The company

(1) Date of incorporation Year Month Day
of the company

(2) Incorporating Act

(3) Supplementary letters patent Yr. M. D. Yr. M. D. Yr. M. D.
Provide the dates of issuance

(4) Meetings of shareholders and annual report

Date of the last general meeting of shareholders	Yr. M. D.	Date of the last special meeting of shareholders	Yr. M. D.	Date of last annual report	Yr. M. D.

(5) Shareholders. Attach the names and addresses of the persons holding a major position and the number of securities each holds.

A major position is defined by holding together more than 10 % of the voting shares of a broker or of the person who controls it to calculate the percentage of securities held by a person, each one is deemed to hold those belonging to associates.

In the case where several persons intend to exercise together voting rights attached to the securities of a broker or of the person that controls it, each one is deemed to hold together a percentage of securities corresponding to the securities held together of the aggregate of those persons.

(6) Debt securities. Attach the names and addresses of all the holders of debt securities (bonds, debentures, notes and loans) issued by the company and indicate the nature and amount of the securities held by each.

In the case of a broker having made a public offering, it is sufficient to give information concerning the securities held by the directors and officers.

(7) Beneficial ownership

Do the persons mentioned in items 5 and 6 above hold the securities mentioned on behalf of other persons?

YES NO

If YES, provide the names and addresses of the persons who own the securities.

In the case where the owner is an artificial person, provide the names and addresses of the persons that own more than 10% of each class of shares of that company.

In the case where the owner is a trust, provide the names and addresses of the persons who own rights in the trust and give the percentage of securities held by each.

(8) Capital stock		Preferred shares	Common shares	Value
Provide the following information on a separate sheet if space is lacking.		(number)	(number)	\$
(a)	authorized capital stock			
(b)	issued and outstanding			
(c)	par value of debt securities			
Note — In each case, provide a complete description (source, maturities, interest rates, and whether it is a loan contemplated by section 193 of the Regulation).		1- Bonds		
		2- Notes		
		3- Any other borrowings		
		Total		

8. Partnerships

- (1) Date constituted Year Month Day Date registered Year Month Day
- (2) Share of partners. Attach a list of shares of each partner in the capital stock and in the earnings of the partnership.
- (3) Beneficial ownership. Are the persons mentioned in the preceding paragraph the owners of their shares of the capital of the partnership? YES NO
- If NO, provide the names and addresses of the persons who own the securities.

SECTION B

Answer YES or NO to Questions 9 to 16. In the case of an affirmative answer, provide the necessary details.

9. Change of name

Has the applicant previously used a name other than the one by which he is identified in this application for registration or has he previously carried on business under another name? YES NO

10. Previous registration

Under a securities law or regulation enacted in Québec or elsewhere,

- | | YES | NO |
|---------------------------------------------------------------------|--------------------------|--------------------------|
| (1) has the applicant previously obtained registration or a permit? | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) if YES, does he still hold the registration or the permit? | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) if NO, has he previously made such application? | <input type="checkbox"/> | <input type="checkbox"/> |
-
-
-

11. Refusal of registration, suspension or withdrawal of rights conferred by registration

Under a securities law or regulation enacted in Québec or elsewhere,

- | | YES | NO |
|---------------------------------------------------------------|--------------------------|--------------------------|
| (1) has the applicant been refused registration? | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) have the rights conferred by registration been suspended? | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) have the rights conferred by registration been withdrawn? | <input type="checkbox"/> | <input type="checkbox"/> |
-
-
-

12. Stock exchange, brokers' association

Has the candidate previously been

- | | YES | NO |
|----------------|--------------------------|--------------------------|
| (1) admitted? | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) refused? | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) suspended? | <input type="checkbox"/> | <input type="checkbox"/> |

as a member of a stock exchange, a brokers' or securities advisers' association or a professional association in Québec or elsewhere?

13. Frauds, crimes

Has the applicant:

(1) (a) been found guilty of an infraction of a securities law or regulation enacted in Québec or elsewhere? YES NO

(b) been found guilty of fraud or theft related to a securities transaction? YES NO

(c) been involved in an injunction following a fraudulent transaction? YES NO

(2) been found guilty in the last 10 years of a criminal offence under a law enacted in Québec or elsewhere? YES NO

14. Court proceedings

Have there been any proceedings under any law in any jurisdiction which could have led to any charge, trial, conviction or injunction against the applicant?

YES NO
 15. Bankruptcy

Has the applicant been declared bankrupt or made an assignment of property to his creditors during the last 10 years?

YES NO

16. Judgment for damages

Has the applicant been ordered by a civil court to pay damages during the last 10 years by reason of fraud or any other cause? YES NO

17. Insurance or surety

- (1) Contract for universal surety _____
 Name of the insurance company _____
 Attach details respecting the amount of the coverage for each category of risks, the deductible, the date of coming into force and the term of the contract.
- (2) Postal insurance _____
 Name of the insurance company _____
 Amount of coverage _____ Deductible _____ Expiry date _____ Yr. Mon. Day _____
- (3) Other _____
 Provide all details _____

- (4) Demands for settlement
 Have demands for settlement been made to your insurance company during the last financial year? YES NO
 If YES, give details on a separate sheet.

 Signature of director and officer or partner

 name (print) and position

for _____
 name of applicant

All the documents attached to this form must be initialled by the person who signs the form.

DECLARATION UNDER OATH

I, the undersigned, having taken cognizance of the information in Form 2 and in the documents attached thereto, declare under oath that it contains no misrepresentation.

Sworn before me

In witness whereto,

at

at

on the day of 19.....

on the day of 19.....

.....
signature

.....
signature

.....
name in block letters
and position

.....
name in block letters

Notary, justice of the peace or commissioner for oaths
Judicial district of.....

This declaration may be replaced by a solemn affirmation.

Important

The following documents must accompany the application:

1. Audited financial statements, closed at a date not later than 90 days before the date of the application for registration;
2. A cheque for \$ payable to the Minister of Finance of Québec;
3. A certified copy of the resolution of the board of directors of the company authorizing one or more directors and officers to sign the application form and all the related documents.

**FORM 3
STANDARD APPLICATION FOR REGISTRATION
OR FOR CERTIFICATION OF NATURAL PERSONS**

Procedures for completing the application

1. This form must be used by any natural person who:
 - (a) applies for registration as a representative to a Canadian securities commission or requests certification from a self-regulatory agency;
 - (b) requests from a Canadian securities commission certification as a director and officer of a securities broker or adviser;
 - (c) applies to a Canadian securities commission for registration as a securities broker or adviser.
2. Applicants must answer all pertinent questions; any omissions may delay examination of the application.
3. The information on the form and on enclosures must be typewritten; forms or enclosures not typewritten may be refused.
4. Each enclosure must be separately identified. Signatures must not be reproduced mechanically or photocopied. A commissioner for oaths and the applicant must initial all enclosures.
5. To apply, the applicant should, if necessary, request assistance from an authorized director and officer of the firm responsible or from a lawyer.

6. A copy of the application must be filed with the securities commission having authority. Members of the Canadian Investment Dealers Association, and of the Montréal, Toronto and Vancouver stock exchanges are required to submit two duly signed copies of the application to the self-regulatory agency responsible for auditing the books of the applicant's firm.

Reserved for the self-regulatory agency

Confirmation of answer # 7	Other confirmation
Application approved by	Date

7. The director and officer of an issuer-distributor does not need to answer Items 6 and 20, nor Section D.

SECTION A

1. Applicant

Surname	First name	Social insurance number
---------	------------	-------------------------

Applicant's address (including postal code)	Area code: Tel. No.:
---------------------------------------------	-------------------------

Domicile elected in Québec

Position with the firm	Date of beginning of employment
	Yr. Month Day

2. Firm

Name	Area Code: Tel. No.:
------	-------------------------

Address of place of work (number, street, town, province, postal code)

3. Nature of registration applied for:

Check the boxes required to identify precisely the nature of the application.

The nature of the application is understood depending upon the applicable provisions of the laws and regulations respecting securities and by-laws, respecting term contracts, as well as the rules and regulations of the stock exchanges, of the Canadian Investment Dealers Association or any other self-regulatory agency.

Unrestricted registration authorizes the applicant to trade all classes of securities in compliance with the provisions that apply.

A candidate who applies for restricted registration must check the box "other" and state the nature of the restriction.

Nature of the application**Registration**

- Unrestricted
 Stock exchange representative
 Trader
 Inc. or uninc. mutual fund
 Investment contracts

 Term contracts
 University bursaries plans
 Other (specify) _____

Certification

- Director and officer (position) _____
 Branch manager
 Director, shareholder or director and officer of a certified subsidiary

 Other (specify) _____

4. Applications addressed to the following agencies:

Check the necessary boxes to indicate the securities commissions or the Canadian self-regulatory agencies to which the applicant is applying.

Securities commission or similar agencies

- | | | | |
|-----------------------------------------------|----------------------------------------|---------------------------------------|------------------------------------------------|
| <input type="checkbox"/> Alberta | <input type="checkbox"/> Manitoba | <input type="checkbox"/> Ontario | <input type="checkbox"/> Newfoundland |
| <input type="checkbox"/> British Columbia | <input type="checkbox"/> New Brunswick | <input type="checkbox"/> Québec | <input type="checkbox"/> Yukon Territory |
| <input type="checkbox"/> Prince Edward Island | <input type="checkbox"/> Nova Scotia | <input type="checkbox"/> Saskatchewan | <input type="checkbox"/> Northwest Territories |

Self-regulatory agencies

- | | |
|------------------------------------------------------------------|------------------------------------------------------|
| <input type="checkbox"/> Alberta Stock Exchange | <input type="checkbox"/> Vancouver Stock Exchange |
| <input type="checkbox"/> Canadian Investment Dealers Association | <input type="checkbox"/> Winnipeg Commodity Exchange |
| <input type="checkbox"/> Montréal Exchange | <input type="checkbox"/> Winnipeg Stock Exchange |
| <input type="checkbox"/> Broker-Dealers Association of Ontario | <input type="checkbox"/> Others (specify) _____ |
| <input type="checkbox"/> Toronto Stock Exchange | |

SECTION B**5. Identification**

Date of birth YEAR MONTH DAY	Place of birth (town)	Province	Country	Citizenship	Sex	
Height	Weight	Colour of eyes	Colour of hair	Colouring	Special marks	Family status
Number of years of continuous residence in Canada	For applicants of foreign origin, date and place of entry into Canada		Passport			
			Country	Place of issue	Date of issue	Number

6. Photograph

Attach two black and white full face photographs (5 cm × 5 cm), taken during the last six months. The photographs must bear, on the back, the date on which they were taken, and to certify the identity of the applicant, his signature and that of a commissioner for oaths or of a director and officer of the firm responsible.

7. Training

Provide the name of the last establishment attended for each level.

(1)

	Grade, diploma or certificate of studies (specify)	Date obtained
Secondary school		
College		
University		
Professional qualification courses		
Others		

Have you passed the following courses or examinations?

	Yes	No	Exemption obtained*	Date
Courses on securities trading in Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Examination based on the Handbook for certified representatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Aptitude examination for partners/directors/directors and officers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Aptitude examination for shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
The financing of investment in Canada Course No. 2				
Part 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Part 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Fellow of the Canadian Securities Institute	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Financial analyst certification course	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Aptitude examination for options contracts officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Course on the options market in Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Course on Canadian mutual funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
National Commodity Futures Examination,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Canadian Commodity Futures Examination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Examination on Canadian term stock exchange contracts (Montreal Exchange)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Aptitude examination for term contracts officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Others (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

* In case of exemption, attach supporting documents.

(2) Have you been refused an exemption for any of the courses listed above? If Yes, explain or attach supporting documents.

8. Experience

An applicant who files an application with the Canadian Investment Dealers Association or the Montreal, Toronto or Vancouver stock exchanges is required to mention any employment in any of those agencies or any other body mentioned in paragraph 1 of Question 14.

(1) Provide a complete description of your affairs, including the periods you worked or were unemployed during the last fifteen years preceding the date of this application.

Name and address of employer	Name and position of immediate superior	Nature of employment and position of applicant	Reason for leaving	FROM		TO	
				Yr.	Mon.	Yr.	Mon.
Present employer							
Previous employers							

(2) Have you previously been dismissed by an employer? If Yes, provide the details in the space provided or attach a sheet to this form.

9. Residence. Provide the required information for the last fifteen years.

Address (No., street, town, province, postal code)	From		To	
	Yr.	Mon.	Yr.	Mon.
Present address				
Former addresses				

10. Professional references

Provide at least three names as references, excluding relatives and persons working for the firm concerned. Among the names furnished must be an employee of a bank or a trust company (indicate your account number) and, in the case of an application for registration or approval to a stock exchange or the Canadian Investment Dealers Association, the name of at least one person active in trading securities in Canada.

Name	Employer	Address (with postal code) and office telephone number (with area code)	Position

Acct. No. _____

SECTION C

Answer "Yes" or "No" to each of the following questions. In the case of an affirmative answer, provide details or *submit* supporting documents.

11. Change of name

Any change of name and the date of change owing to marriage, divorce, court order or any other proceedings must be mentioned below.

Have you used a name other than that mentioned in Question 1 of this form or have you carried on business under another name?

12. Previous registrations

The registration mentioned in paragraphs 1 and 2 of Question 12 and 1, 2 and 3 of Question 13 means any authorization procedure established by a law or a regulation respecting trading of securities, commodities or term contracts enacted in Québec or elsewhere.

(1) Have you previously obtained registration of any kind?

If Yes, indicate the name of the agency, the date of registration and state whether the registration is still in force.

If No, have you previously made application? _____

(2) Are you now a shareholder, partner or director and officer of a firm that has obtained registration of any kind, except as issuer or issuer-distributor, in the case of an ordinary shareholder? _____

If No, have you been a shareholder, partner or director and officer? _____

(3) Have you previously obtained registration under a law enacted in Québec or elsewhere requiring the obtaining of registration to deal with the public for any other purpose than the trading of securities, commodities or term contracts? _____

If Yes, is the registration still in force? _____

If No, have you applied for it? _____

To answer Questions 13 to 18, particularly Question 15, you should, if necessary, request the assistance of an authorized director and officer of the firm concerned or of a lawyer. For every affirmative answer, you must attach documents giving all the useful information, as circumstances, dates, names of the parties involved and the outcome of the affair.

13. Refusal of registration, suspension or withdrawal of rights conferred by registration or disciplinary measures

(1) Have you ever been refused registration, been suspended or had rights conferred by registration withdrawn? _____

(2) Are you now a shareholder, partner or director and officer of a firm that has been refused registration, been suspended or had rights conferred by any kind of registration withdrawn, except as issuer, in the case of an ordinary shareholder? _____

(3) Have you ever had a registration refused, been suspended or had rights conferred by registration withdrawn under a law enacted in Québec or elsewhere requiring the obtaining of registration to deal with the public for any other purpose than trading in securities, commodities or term contracts? _____

(4) Have you ever been refused an exemption from registration? _____

(5) Has a self-regulatory securities, commodities or term contracts agency ever taken disciplinary measures against you or against a company of which you were a director and officer, a partner or a shareholder holding more than 5 % of the voting securities? _____

14. Self-regulatory agencies

Has a company of which you are or were a director and officer, a partner or a shareholder holding more than 5 % of the voting securities or have you yourself:

(1) been a member of a securities, commodities or term contract exchange, a brokers' association or securities advisers association, another similar professional association or another agency of the same kind in Québec or elsewhere? _____

(2) been refused registration or approval as member or on any other basis by an agency or an association mentioned in 1? _____

(3) have you previously been subject to disciplinary measures on the part of an association or an agency mentioned in 1? _____

15. Infractions

Any infraction of a federal law, such as the Incomé Tax Act (Canada) or the Immigration Act (Canada) constitutes a criminal offence and must be mentioned in this form. A conviction for impaired driving comes under the Criminal Code (Canada) and must be mentioned.

If you have applied for and obtained a pardon in writing under the Judicial Records Act (Canada) which has not subsequently been revoked, you are not required to reveal the offence concerned.

If you have any doubt regarding your situation in relation to an agency responsible for applying a law or respecting the pertinence of this question, you should request the assistance of an authorized director and officer of the firm responsible or of a lawyer.

(1) Previous convictions in securities, commodities or term contracts matters

Have you been found guilty, under a law enacted in Québec or elsewhere, of an offence in a matter of securities, commodities or term contracts trading, of theft of securities or of any similar offence? _____

(2) Previous convictions for other matters

Have you been found guilty, under a law enacted in Québec or elsewhere, of a criminal offence other than those mentioned in 1? _____

(3) Proceedings and charges

Are you now subject to proceedings or charges in a matter of company law? _____

(4) Convictions, proceedings and charges against a company

Is a company of which you are or have been a director and officer, a partner or a shareholder holding more than 5 % of the voting shares, or has it been the subject of a conviction, proceedings or charges under a law enacted in Québec or elsewhere in respect of a criminal offence mentioned in 1 or 2? _____

16. Civil proceedings

(1) Has a company of which you are or have been a director and officer, a partner or a shareholder holding more than 5 % of the voting shares, or you yourself been convicted for fraud or a similar offence? _____

(2) Under a law enacted in Québec or elsewhere, has there been any court proceedings taken _____

(a) against you? _____

(b) against a company of which you are or have been a director and officer, a partner or a shareholder holding more than 5 % of the voting securities at the time proceedings were taken? _____

17. Bankruptcy

(1) During the last ten years _____

(a) have you been declared bankrupt? _____

(b) have you made an assignment of your property? _____

(c) have you made an accommodation or an arrangement with your creditors? _____

(d) have you ceased to carry on your affairs, leaving debts behind? _____

(e) have you submitted a declaration prescribed by the provisions respecting voluntary deposit? (Québec)? _____

(f) has a sequestrator or a trustee appointed by your creditors or at their request taken possession of your property? _____

If Yes, have you obtained a release? _____

Attach a copy of your release. _____

(2) Has any company of which you are or were a director and officer, a partner or a shareholder holding more than 5 % of the voting shares _____

(a) been declared bankrupt during the last ten years? _____

(b) made an assignment of its property during the last ten years? _____

(c) has a sequestrator or a trustee appointed by its creditors or at their request taken possession of its property? _____

18. Judgment and seizure

Has a judgment or a seizure order been given against you, following a fraud or for any other reason, during the last ten years, by a civil court in Québec or elsewhere? _____

19. Surety

(1) Has surety been refused you during the last ten years? _____

If Yes, give the name and address of the insurer, and indicate the date and the reasons for the refusal. _____

(2) Are you now covered by surety? _____

20. Professional activities

(1) Will you participate actively in the affairs of the firm responsible and will you devote the greater part of your time to it? _____

(2) Have you other affairs or a remunerated work other than the position that you hold in the firm responsible? _____

(3) Are you a director and officer, a partner, a shareholder or a holder of debt securities of another company that carries on the business of a securities, commodities or term contracts broker or adviser?

SECTION D

If you are applying as a director or partner, please answer questions 21 to 26. If you are applying as a shareholder, please answer questions 22 to 26.

21. Do you meet, or after approval, will you meet the financial requirements established by the by-laws, rules and regulations of the self-regulatory agencies (i.e., investment equal to 5 % of the capital in the case of a partnership, or share capital, in the case of a joint-stock company, up to 10 000 \$ plus the total of the borrowings incurred with a clause renouncing the right to compete with the other creditors? _____

22. (1) Indicate the number, value, class and percentage of shares or units that you hold or that you plan to acquire after you are certified. If you plan to acquire shares or units after you are certified, state their source, for example, new issue or in the case of a transfer, the name of the transferor.

(2) Indicate the value of the bonds of the firm held and the loans granted to it, with renunciation in both cases of the right to compete with the other creditors.

23. Are you or will you become, after approval has been granted, owner of securities of the firm? If no, indicate the name, address and kind of employment of the owner.

24. Indicate the source of the funds that you plan to invest in the firm. Explain.

25. Are the funds that you will invest guaranteed? If Yes, explain.

26. Have you established rights connected with your shares or, after approval has been given, do you plan to establish rights by pledge, guarantee or assignment as surety in favour of a financial institution or another person? If Yes, explain.

Warning

A false declaration or any withholding of information may cause refusal of the application, disciplinary measures, even against the firm responsible, or refusal of registration.

I consent to a self-regulatory agency's obtaining information about me from any person, including an investigation agency or an information agency, in accordance with the law applicable in Québec or elsewhere.

_____ date

_____ signature of applicant

All the documents attached must be initialled by the applicant and by a commissioner for oaths. All signatures must be handwritten.

COMMITMENT OF THE APPLICANT AND THE FIRM RESPONSIBLE (to be completed at the time of the application for registration to a self-regulatory agency)

We the undersigned certify that none of the statements above contain to our knowledge any misrepresentation. We agree to inform in writing the self-regulatory agencies of any material change in the time limits prescribed by their by-laws, rules and regulations.

We acknowledge that we are familiar with the by-laws, rules and regulations of the self-regulatory agencies mentioned in Question 4. We agree to comply with them and we commit ourselves to remain informed of any amendments to them.

We acknowledge the jurisdiction of those bodies and the power to suspend or withdraw the rights conferred by registration. In the case of a suspension or withdrawal of the rights conferred by registration, the applicant agrees to terminate immediately his relations with the firm responsible, not to accept employment or to furnish services of any kind to a member of the self-regulatory agencies or to an affiliated company in accordance with their by-laws, rules and regulations.

We hereby acknowledge that we are jointly bound.

We accept the transfer of this application to a self-regulatory agency mentioned in Question 4 in the case where in the future the applicant submits an application to one of those agencies.

Made at _____ on the _____ day of _____ 19_____

_____ signature of applicant

_____ name of the firm responsible

By _____

SWORN DECLARATION

I the undersigned _____, being duly sworn, declare as follows:
 surname, first name

1. I am _____, an applicant for registration;
 surname, first name
2. I have read all the questions in this form and I am aware of the significance of the answers given, as well as of the warning on page 14. I declare that the statements made in this application or in the schedules are correct.

In witness whereunto, I have signed _____
 signature of applicant

Sworn before me _____
 Commissioner for oaths

in the city of _____

Province of _____ on the _____ day of _____ 19____

According to the Securities Act, to file an application containing a declaration which, in the light of the circumstances and at the time when it is made, contains a misrepresentation, constitutes an offence.

This declaration may be replaced by a solemn affirmation.

ATTESTATION OF THE FIRM RESPONSIBLE

I the undersigned, acting on behalf of _____ certify that
 _____, who seeks the registration the nature of which is specified in
 Question 3, will be hired to perform the duties indicated if the registration of the certification is obtained.

I certify that I have discussed with the applicant the questions in this form, and in particular Question 15, or that the manager of the branch or another officer has done so, in the case where the applicant has filed an application through the agency of one of our branches.

I certify that the applicant has thoroughly understood all the questions, and that, so far as I know, his answers are correct.

Made at _____ on the _____ day of _____ 19____

By _____ for _____
 signature of authorized director or officer or partner of the firm name of the firm

To comply with the Securities Act, after approval, the code or symbol used to identify the applicant on confirmation slips will be.