

## Draft Regulations

### Draft regulation

Securities Act  
(L.R.Q., c. V-1.1)

An Act to amend various legislative provisions respecting securities  
(1987, c. 40)

#### Regulation

##### — Amendments

Notice is hereby given, pursuant to sections 10 and 11 of the Act respecting regulations (L.R.Q., c. R-18.1), that the draft "Regulation amending the Regulation respecting securities" which appears hereunder, may be adopted by the Government at the expiry of a period of 45 days following the publication of this notice.

Any interested person having comments to submit may do so in writing, prior to the expiry of this delay, addressed to Mr. Pierre Fortier, Associate Minister for Finance and Privatisation, 12 St. Louis Street, 1<sup>st</sup> Floor, Québec (Québec), G1R 5L3, with a copy to the Commission des valeurs mobilières du Québec, C.P. 246, Tour de la Bourse, Montreal, H4Z 1G3.

PIERRE FORTIER,  
*The Associate Minister for  
Finance and Privatisation*

### Regulation amending the Regulation respecting securities

Securities Act  
(R.S.Q., c. V-1.1, s. 30, 47, 67, 96, 97, 123, 147.21, 150 and 331)

**1.** The Regulation respecting securities, adopted by Order in Council 660-83 of March 30, 1983 and amended by the Regulation adopted pursuant to Orders in Council 1758-84 of August 8, 1984, 1263-85 of June 26, 1985 and 697-87 of May 6, 1987, is again amended by inserting after section 18 the following:

"**18.1** The Commission may require of a senior executive or of a promoter of an issuer or of the promoter of a venture that he completes Form 4."

**2.** This regulation is amended by replacing the second paragraph of section 29 by the following:

"When a distribution takes place only in Québec, the previous notice is replaced by the following:

"The Securities Act (Québec) provides purchasers with the right to withdraw from an agreement to purchase the securities within two business days after receipt of this prospectus, as well as remedies for rescission, price revision or damages where the prospectus contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the Act. The purchaser should refer to the applicable provisions of the Act for the particulars of these rights or consult with a legal advisor."

**3.** This regulation is amended by deleting section 73.

**4.** This regulation is amended by inserting, after section 102, the following section:

"**102.1** The offering memorandum prescribed by section 47 of the Act must present the information prescribed by Schedule XVII."

**5.** This regulation is amended by replacing section 174 by the following:

"**174.** The insider of a reporting issuer must report, within ten days of the event, any change in his holding representing a value of 15 000 \$, whether this change is the result of one transaction or of a series of transactions and notwithstanding the fact that the transaction is an acquisition or a disposition.

Within 60 days from the end of the calendar year, he must report all transactions made during the year and still unreported."

**6.** This regulation is amended by inserting, after section 174, the following section:

"**174.1** Upon the occurrence of a stock dividend, stock split or of a merger or reorganization of capital,

an insider is not required to report, even where the cumulative transactions exceed 15 000 \$, if a senior executive of the reporting issuer files with the Commission, within ten days of the event, a notice giving a description of the event and the effect on each class of securities of the issuer."

**7.** This regulation is amended by replacing section 175 by the following:

"175. When securities are subscribed or bought through a share subscription or purchase plan, a dividend reinvestment plan or a stock dividend plan, an insider shall be deemed to have satisfied the requirements of section 96 or 97 of the Act if a senior executive of the reporting issuer files with the Commission, within 10 days of the event, a notice giving a description of the event and the effect on the holding of the insider."

**8.** This regulation is amended by replacing the first paragraph of section 183 by the following:

"A valuation of the offeree issuer, based on going concern or liquidation assumptions, must be made in the case of an issuer bid, insider bid or where the offeror plans to transform the offeree issuer into an entity that would be comparable to a closed company or plans to liquidate the offeree issuer, unless the Commission determines that the offeror lacks access to the required information."

**9.** This regulation is amended by inserting, in the first paragraph of section 189, between the words "price" and "used" the following: ", prescribed by section 123 of the Act,".

**10.** This regulation is amended by replacing section 189.8 by the following:

"189.8 The notice prescribed by section 147.21 of the Act must be filed with the Commission at least five days prior to the date of the issuer bid and must present the following information:

- (1) the name of the issuer;
- (2) the class and number of shares or, in the case of debt securities, the principal amount of securities sought;
- (3) where known, the dates on which the issuer bid will commence and close;
- (4) the method of acquisition;
- (5) the consideration to be offered;
- (6) the particulars of the method and time of payment of the consideration;

(7) the purpose and business reasons for the issuer bid;

(8) where known, the name of those who propose to tender or accept the issuer bid amongst the following persons: senior executives of the issuer, associates or affiliates of the issuer, insiders of the issuer and their associates;

(9) the benefit to any of the persons named in paragraph 8 of accepting or refusing to accept the issuer bid;

(10) the particulars of any plans or proposals for material changes in the affairs of the issuer, in particular, 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, management or personnel.

The notice must be signed by a senior executive, duly authorized by the issuer's board of directors."

**11.** This regulation is amended by inserting after section 189.8 the following:

"189.9 The press release prescribed by section 147.21 of the Act must present the information prescribed by paragraphs 1, 2, 3, 4, 7 and 10 of section 189.8."

**12.** This regulation is amended by replacing section 192 by the following:

"192. The categories of registration as a dealer with a restricted practice are the following:

(1) mutual funds dealer, for the person who intends to limit his activity to the distribution of the shares of incorporated mutual funds or units of unincorporated mutual funds;

(2) investment contracts dealer, for the person who intends to limit his activity to the distribution of investment contracts;

(3) scholarship plans dealer, for the person who intends to limit his activity to the distribution of scholarship plans;

(4) discount broker, for the person who intends to limit his activity to that of an intermediary in the trading of securities without offering research services with respect to investment or giving advice concerning the purchase or sale of securities;

(5) financial intermediary, for the financial institution which intends to conduct its securities activity in-house;

(6) security issuer, for the issuer who intends to limit its activity to the distribution, without a prospectus exemption, a security issued by it;

(7) independent trader, for the member of a recognized stock exchange or the holder of a restricted trading licence issued by such an exchange and who carries out transactions on his own behalf or on behalf of a dealer;

(8) any other category designated by the Commission.

The dealer with a restricted practice, except for the one in category 5 or 6, must always present himself using the specific designation of the category to which he belongs, in particular in printed documents and in advertising. The same rules apply to representatives.”

**13.** This regulation is amended by the addition in the second paragraph of section 202 the following sentence:

“However, where the representative of a dealer with an unrestricted practice moves to a dealer with a restricted practice, the suspension is lifted by a decision of the Commission, once it has verified if the representative has an adequate professional training.”

**14.** This regulation is amended by inserting after section 218 the following:

**218.1** The adviser who receives a remuneration or subscription fees for services not yet rendered must keep in a trust account sums received in advance until the services have been rendered, unless the remuneration or subscription fees received in advance cover a period not exceeding three months.”

**15.** This regulation is amended by inserting, after the heading of Chapter VII of Title Five, the following sections:

**230.1** In this Chapter:

“connected issuer” means, in respect of a dealer or an adviser, an issuer that has, or any related issuer of which has, any indebtedness to, or other relationship with, the dealer or adviser, a related issuer of the dealer or adviser or a senior executive of the dealer or adviser or a related issuer of the dealer or adviser, that, in connection with a distribution of securities of the issuer, is material to a prospective subscriber of the securities;

“related issuer” means, in respect of a person, any other person:

(1) that influences the person,

(2) that is influenced by the person,

(3) that is in like relation to a person referred to in paragraph 1 or 2 or any such other person,

(4) that is designated by the Commission as a related issuer in accordance with section 230.5;

“networking arrangement” means, an arrangement between a dealer or an adviser and a financial institution (whether or not registered) under which the dealer or the adviser:

(1) offers to the public a combination of securities and goods or services, a portion of which consists of securities, goods or services issued or provided by the financial institution,

(2) cooperates with the financial institution in the joint offering to the public of securities and goods or services, in particular by paying the financial institution or its employees a commission for referring to the dealer a client to whom the dealer sells securities or services,

but does not include transactions in securities of the financial institution if they are made on the same basis as other transactions in securities of other issuers;

“influence” means, in respect of a person, having the power to exercise a controlling influence over the management and policies of the person, other than an individual, or the activities of an individual whether alone or in combination with one or more other persons and whether through the beneficial ownership of voting securities, through one or more other persons or otherwise.

**230.2** For the purposes of the definition of connected issuer in connection with a distribution of securities of an issuer, indebtedness of the issuer or any other relationship with the issuer is material to a prospective subscriber of the securities in the following two cases:

(1) a reasonable prospective subscriber would consider it important in determining whether to subscribe the securities,

(2) it may lead a reasonable prospective subscriber to question whether the dealer and the issuer are independent of each other,

whether or not the indebtedness or other relationship is a material fact.

**230.3** For the purposes of the definitions of “connected issuer” and “related issuer”, an issuer is not a connected or a related issuer of a dealer only by reason of the fact that the dealer, acting as an underwriter,

owns securities of the issuer in the course of a distribution and in the ordinary course of business of the dealer.

**230.4** For the purposes of the definition of "influence" in respect of a person, other than an individual, any other person that, whether alone or with other persons, exercises control over more than 20 % of a class or series of voting securities of the person, shall be deemed, in the absence of evidence to the contrary, to influence the person.

**230.5** The Commission may designate a person as a related issuer of a dealer or an adviser where it deems it appropriate because of the business relations between the person and the dealer or adviser or any related issuer of the dealer or adviser.

Before rendering a decision, the Commission must give the dealer or adviser and the person an opportunity to be heard."

**16.** This regulation is amended by inserting, after section 234, the following:

**"234.1** A registered person shall deal in good faith, honestly and fairly with its clients.

**234.2** The dealer or adviser shall file with the Commission a statement of policies that contains:

(1) a complete statement of the policies regarding the activities in which the dealer or adviser is prepared to engage as dealer or adviser in respect of its own securities and those of related issuers and, in the course of a distribution, of securities of connected issuers;

(2) a list of the related issuers that are reporting issuers or that have distributed securities outside Québec on a basis that would have made them reporting issuers in Québec;

Québec on a basis that would have made them reporting issuers in Québec;

(3) a concise statement of the relationship between the dealer or adviser and each of the related issuers referred to in paragraph 2;

(4) the following note, or an expanded version of it, in a conspicuous position and in bold face type of a size at least equivalent to that of the text:

"The securities laws of Québec require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure or other rules. These rules require dealers and advisers, prior to trad-

ing with or advising their clients to inform them of the relevant relationship and connections with the issuer of the securities. Clients should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser."

**234.3** The dealer or adviser who acts as principal or makes a recommendation shall provide to a client, free of charge, a copy of its statement of policies before the settlement of a transaction, unless he has already been provided with a copy. The dealer or adviser shall also provide a copy to a client requesting it.

**234.4** In the event of a material change in the information contained in the statement of principles, the dealer or adviser shall:

(1) file with the Commission a revised version or an amendment to the statement of policies;

(2) provide to each of its clients who have received the initial statement a copy of the revised version or of the amendment as soon as a transaction is made for a client or advice is given, but without exceeding a delay of 45 days from the filing with the Commission."

**17.** This regulation is amended by replacing section 236.1, 236.2 and 236.3 by the following:

**"236.1** A dealer may not act as a firm underwriter or selling group member, in connection with a distribution by means of a prospectus of its own securities or those of a related or connected person, unless at least one other dealer, in respect of which the issuer is not a related or connected issuer, has underwritten a portion of the distribution at least equal to the aggregate of the portions underwritten by the dealer and each other dealers in respect of which the issuer is a related or connected issuer.

**236.2** A dealer shall not act as principal best effort underwriter in a distribution by means of a prospectus of its own securities or those of a related or connected issuer.

**236.3** A dealer or an adviser shall not enter into a networking arrangement prior to having obtained the authorization from the Commission."

**18.** This regulation is amended by inserting, after section 237, the following:

**"237.1** A dealer or adviser shall not in any way recommend the purchase, the sale or the holding of its own securities, securities of a related issuer or, in the course of a distribution securities of a connected issuer. He shall not cooperate with another person in the making of such a recommendation.

This prohibition does not apply to recommendations made in a circular, pamphlet or similar publication, provided that the publication includes in a conspicuous position, in type of a size at least equivalent to that of the rest of the text, a complete statement of the relationship or connection between the dealer or adviser and the issuer.

**237.2** The dealer or adviser shall not publish or send an advertisement, notice or other similar publication in respect of securities of a related issuer or, in the course of a distribution, in respect of securities of a connected issuer, unless the publication states, in a conspicuous position, in bold face, at least 12 points type and, as the case may be, of such larger type as is required to ensure its prominence in such publication, that the issuer is a related or connected issuer of the dealer or adviser."

**19.** This regulation is amended by replacing section 250 by the following:

"**250.** Any transaction intended to fix or stabilize the market price of a security is prohibited except where it is effected by the firm underwriter or purchaser during a distribution or a secondary distribution and in accordance with the following conditions:

(1) the transaction is effected at a market price that is not higher than the bid price of the securities being the object of the distribution or of the secondary distribution;

(2) the transaction is made only for the purpose of preventing or retarding a decline in the open market price of a security;

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

(4) the transaction is not effected on a security being distributed during a distribution or a secondary distribution made through the agency of a recognized stock exchange."

**20.** This regulation is amended by the addition to section 251 of the following paragraph:

"However, when the specialist is the firm underwriter or purchaser, he has the benefit of the exemption only if he respects the condition prescribed by paragraph 2 of section 250."

**21.** This regulation is amended by replacing sections 267 to 271 by the following:

"**267.** The following fees are payable by persons who intend to distribute securities:

(1) at the time of filing a draft prospectus, a preliminary prospectus or a shelf prospectus in order to get a receipt in accordance with sections 11, 12, 20 or 24.1 of the Act, 500 \$;

(2) at the time of filing a prospectus in its final form, a lump sum payment corresponding to the amount exceeding 500 \$ of the following sums:

(a) when the distribution takes place only in Québec, 0,03 % of the aggregate value of the issue;

(b) when the distribution takes place in Québec and elsewhere:

i. in the case of securities qualified for the Québec Share Savings Plan, 0,03 % of the aggregate value of the issue;

ii. in the case of securities not qualified for the Québec Share Savings Plan, issued by an issuer with its head office in Québec, 0,03 % of 50 % of the aggregate value of the issue;

iii. in all other cases, 0,03 % of 25 % of the aggregate value of the issue;

(3) in addition to the fees prescribed by paragraphs (1) and (2), 50 \$ for each geological report filed;

(4) at the time of filing the offering memorandum prescribed by sections 47, 48.1 or 53 of the Act or by the Regulation, 250 \$;

(5) at the time of filing the notice prescribed by section 49 of the Act or the report, prescribed by section 114, concerning a distribution pursuant to the exemptions prescribed by section 52 of the Act, 0,03 % of the value of the securities distributed in Québec less the fee prescribed by paragraph (4);

(6) at the time of filing the notice prescribed by section 46 or 51 of the Act or the information prescribed by section 50 of the Act, 0,015 % of the value of the securities distributed in Québec, subject to a minimum of 250 \$;

(7) at the time filing an amendment to a prospectus, 100 \$ and, as the case may be, a lump sum payment corresponding to 0,03 % of the additional value of the securities distributed;

(8) at the time of filing the information required in compliance with the second paragraph of section 12 of the Act, 100 \$;

(9) at the time of an application prescribed by section 68 or 68.1 of the Act, 250 \$.

However, no fee is required to be paid in application of paragraph 6 in the case of the distribution of ex-

change, conversion or subscription rights prescribed by paragraph 1 of section 52 of the Act.

**267.1** The final calculation of the fees related to the distribution and the payment of the balance or the request for a refund of the excess over the lump sum payments made in compliance with paragraphs (2) and (7) of section 267 are made at the time of filing the report prescribed by section 94.

The calculation sheet, which must accompany the report, must be prepared as follows: after having restated the aggregate value of the issue, give the value of the securities actually distributed in Québec and multiply it by 0,03 %. The balance payable or the refund requested is equal to the difference between that figure and the total fees paid pursuant to paragraphs 1, 2 and 7 of section 267; when that figure is less than 500 \$, the issuer is entitled to a refund of the lump sum payments made pursuant to paragraphs 2 and 7 of section 267.

**268.** The following fees are payable by a reporting issuer:

(1) at the time of filing the annual financial statements prescribed by section 75 of the Act, 100 \$, except in the case of a reporting issuer whose securities are listed on a Canadian stock exchange where the fee is 250 \$;

(2) at the time of filing, for the first time, the annual information form by an issuer which fulfills the conditions prescribed by section 160, 161 or 162 and, after that, at the time of the examination of the annual information form in accordance with the provisions of the second paragraph of section 166, 500 \$;

(3) at the time of filing the annual information form by an issuer which does not fulfill the conditions prescribed by section 160, 161 or 162, 250 \$;

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

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

**269.** The following fees are payable by the offeror in a take-over or issuer bid:

(1) at the time of filing the bid and the take-over or issuer bid circular prescribed by section 128 of the Act, 500 \$;

(2) at the time of filing the notice prescribed by section 132 of the Act respecting a change in the initial terms of the bid or a significant change in the facts on which the circular is based, 100 \$.

**270.** The following fees are payable by a dealer or an adviser or a representative:

(1) at the time of an application for registration as a dealer with an unrestricted practice, 0,04 % of the total capital of the dealer, subject to a minimum of 750 \$;

(2) at the time of an application for registration as a dealer with a restricted practice, 750 \$;

(3) at the time of an application for registration as an adviser, 750 \$;

(4) at the time of an application for registration as a representative of a security issuer, 225 \$;

(5) at the time of filing the annual financial statements prescribed by section 158 of the Act, the fee prescribed by paragraph 1, 2 or 3;

(6) at the time of filing the annual financial statements prescribed by section 158 of the Act, 225 \$ for each representative who was registered during the last financial year, except in the case of the security issuer which must pay a fee of 225 \$ for each representative registered at the time of filing its annual financial statements;

(7) at the time of filing a notice prescribed by section 159 of the Act relating to a change in the disclosure made at the time of registration, 100 \$;

(8) at the occasion of an inspection, within 30 days of the date of the invoice, 350 \$ per day, per inspector.

However, in the case of a representative of a member of a self-regulatory organization to which the Commission has delegated the application of the provisions concerning the registration of representatives, the fees prescribed by paragraph 6 are 175 \$ for each representative.

In the case of an independent trader, the fees prescribed by paragraph 5 are 225 \$ payable before April 30.

For the purpose of calculating the fees prescribed by paragraphs 1 and 5, the total capital represents the aggregate of the amounts shown in lines 16 (deferred income taxes), 18 (subordinated loans), 19 (capital), 20 (retained earnings) and 21 (reserves) of Statement B of Policy Statement n° Q - 9.

**271.** The following fees are payable by the person making an application:



(1) at the time of an application for an exemption from prospectus requirements, 0.015 % of the value of the securities distributed in Québec, subject to a minimum of 300 \$;

(2) at the time of an application, to regularize a previous issue of securities, prescribed by section 338.1 of the Act, 250 \$;

(3) at the time of an application for the certificate prescribed by section 71 of the Act regarding the position of a reporting issuer, 100 \$;

(4) except in the case of paragraph (1), at the time of an application for an exemption from a requirement prescribed by the Act or the Regulation, 300 \$;

(5) at the time of a request for a copy of a document, 0,25 \$ a page.”

**22.** This regulation is amended by replacing section 292 by the following:

“**292.** A transaction on the securities issued by an unincorporated or an incorporated mutual fund must be reflected in the computation of the net asset value per share no later than the next computation made after the time as at which the valuation applied to implement the transaction is made.”

**23.** This regulation is amended by the addition to Item 5 of Schedule I the following paragraph:

“3. Where the issuer is a related issuer or connected issuer of an underwriter, give a summary of the nature of the relationship or connection between the underwriter and the issuer. State the extent to which the proceeds of the issue will be applied for the benefit of the underwriter or any related issuer of the underwriter. When the proceeds will not be applied for the benefit of the underwriter or any related issuer of the underwriter, so state. Make a cross-reference to the information in the prospectus required by Item 29.1.”

**24.** This regulation is amended by replacing paragraph 3 of Item 22 of Schedule I by the following:

**“3. Remuneration pursuant to plans**

Remuneration pursuant to plans need be taken into account only to the extent that they discriminate, in scope, terms or operation in favor of executive officers or are not available to all full time employees other than those covered by collective agreements.

(1) Describe briefly any plan, pursuant to which cash or non-cash remuneration was paid or distributed during the last financial year or is proposed to be paid or distributed in a subsequent year.

This description includes:

(a) a summary of how the plan operates;

(b) the criteria used to determine amounts payable or, in the case of any plan involving options to purchase securities, the criteria used to determine the number of securities under options;

(c) the time periods over which the measurement of benefits will be determined;

(d) payment schedules;

(e) any recent material amendments to the plan;

(f) amounts paid or distributed during the last financial year or, in the case of any plan involving options to purchase securities, the number of securities optioned during the last financial year;

(g) amounts accrued for the group during the last financial year, inasmuch as the distribution or unconditional vesting of same is not subject to future events.

(2) With respect to options to purchase securities granted during the last financial year provide in addition to the information prescribed by 3, (1) a to f:

(a) the designation and aggregate number of securities under option;

(b) the average per security exercise price (when options with differing terms are granted, the information should be given for each class or type of option);

(c) when the price mentioned in b is less than the market value of the security underlying the option on the date the option is granted, provide the market price on such date.

(3) With respect to options exercised during the last financial year, provide, in addition to the information prescribed by subparagraphs a to f of paragraph (2), the aggregate net value (market value less exercise price) of the securities underlying the options.

(4) Where disclosure of an amount paid or distributed pursuant to a plan is made under cash remuneration in paragraph 2, that amount shall not be included under sub-paragraph (1) f if a statement to that effect is made under paragraph 3.

(5) The disclosure required by sub-paragraph (1) f and g need not be provided where the amounts are paid, distributed or accrued pursuant to a defined benefit plan that specifies certain pension benefits to be received after retirement and determines an employee's entitlement to such pension benefits as a function of either or both the employee's years of service and earnings.”

**25.** This regulation is amended by inserting after Item 29 of Schedule I the following:

"Item 29.1

**Relationship between issuer and underwriter**

Where the issuer is a related issuer or connected issuer of an underwriter, describe fully:

(1) the nature of the existing relationship or connection between the issuer and the underwriter;

(2) the involvement of the underwriter and of any related issuer of the underwriter in the decision to distribute the securities being offered and the determination of the terms of the distribution;

(3) the effect of the issue on the underwriter and each related issuer of the underwriter.

In addition, on the first page of the prospectus, in bold face print, give a summary of the nature of the relationship or connection between the issuer and the underwriter and a cross-reference to the section in the prospectus that fully describes the relationship or connection.

**Instructions**

1. The terms "related issuer" and "connected issuer" are defined in section 230.1 of the Regulation.

2. In describing the existing relationship or connection between the issuer and the underwriter, describe the basis on which the issuer is a related issuer or connected issuer of the underwriter.

In particular,

(1) include, to the extent necessary to describe the relationship or connection,

(a) the name of each relevant related issuer of the underwriter;

(b) the details of any beneficial ownership of, or exercise of control or direction over, any securities of any relevant party (including the issuer, the underwriter and any related issuer of the underwriter) by any other relevant party;

(c) the details of the ability of any relevant party to participate in or to affect materially the operations of any other relevant party by virtue of representation on a board of directors, a management contract, an escrow or pooling or voting trust agreement, or any other means;

(d) the details of any business or professional relationship between relevant parties;

(2) where the issuer has any indebtedness to the underwriter or any related issuer of the underwriter and that indebtedness is the basis on which the issuer is a

connected issuer of the underwriter, state the details of the indebtedness, including:

(a) the amount of the indebtedness;

(b) the extent to which the issuer is in compliance with the terms of any agreement governing the indebtedness;

(c) the extent to which the related issuer has waived any breach of any such agreement since its execution;

(d) the nature of the security for the indebtedness;

(e) the extent to which the financial position of the issuer or the value of the security has changed since the indebtedness was incurred.

3. In describing the involvement of the underwriter and any related issuer of the underwriter in the decision to distribute the securities being offered and the determination of the terms of the distribution, describe whether the issue was required, suggested or consented to by the underwriter or any related issuer of the underwriter and, if so, on what basis. It is not necessary to describe the involvement of the underwriter in the decision to distribute securities where that involvement is limited to acting, independently of any related issuer of the underwriter, as a financial adviser to the issuer in the ordinary course of business, including presenting a proposal for a distribution and settling the terms of the securities, on the same basis as that on which an independent underwriter would advise the issuer.

4. In describing the effect of the issue on the underwriter and each related issuer of the underwriter, state the extent to which the proceeds of the issue will be applied, directly or indirectly, for the benefit of the underwriter or any related issuer of the underwriter and, where the issuer has any indebtedness to the underwriter or any related issuer of the underwriter, whether any of the indebtedness will be repaid from the proceeds of the issue and, if so, the amount of the repayment. Where the proceeds will not be applied for the benefit of the underwriter or any related issuer of the underwriter, so state.

5. State any other material facts with respect to the relationship or connection between the underwriter, any related issuer of the underwriter and the issuer that are not required to be described by the foregoing."

"Item 29.2:

**Underwriter as issuer**

Where a non-reporting issuer issuing voting securities or participating securities is a registered dealer or an issuer all or substantially all of whose assets are securities of a registered dealer and the dealer is underwriting 25 % or more of the issue:



(1) state that the dealer is an underwriter in bold face type on the first page of the prospectus;

(2) include in the prospectus summaries of two valuations of the issuer by two independent underwriters or chartered accountants;

(3) give in the prospectus a reasonable time and place at which the valuations may be inspected during the distribution of the securities being offered.

### Instruction

Underwriters or chartered accountants are independent if they are not related issuers or connected issuers of the issuer. See Item 29.1. Participation in the distribution does not disqualify underwriters that are otherwise independent.”

**26.** This regulation is amended by replacing paragraph 3 of Item 10 of Schedule VI by the following:

#### “3. Remuneration pursuant to plans

Remuneration pursuant to plans need be taken into account only to the extent that they discriminate, in scope, terms or operation in favor of executive officers or are not available to all full time employees other than those covered by collective agreements.

(1) Describe briefly any plan, pursuant to which cash or non-cash remuneration was paid or distributed during the last financial year or is proposed to be paid or distributed in a subsequent year.

This description includes:

(a) a summary of how the plan operates;

(b) the criteria used to determine amounts payable or, in the case of any plan involving options to purchase securities, the criteria used to determine the number of securities under options;

(c) the time periods over which the measurement of benefits will be determined;

(d) payment schedules;

(e) any recent material amendments to the plan;

(f) amounts paid or distributed during the last financial year or, in the case of any plan involving options to purchase securities, the number of securities optioned during the last financial year;

(g) amounts accrued for the group during the last financial year, inasmuch as the distribution or unconditional vesting of same is not subject to future events.

(2) With respect to options to purchase securities granted during the last financial year provide in addition to the information prescribed by 3, (1) a to f:

(a) the designation and aggregate number of securities under option);

(b) the average per security exercise price (when options with differing terms are granted, the information should be given for each class or type of option);

(c) when the price mentioned in b is less than the market value of the security underlying the option on the date the option is granted, provide the market price on such date.

(3) With respect to options exercised during the last financial year, provide, in addition to the information prescribed by subparagraphs a to f of paragraph (2), the aggregate net value (market value less exercise price) of the securities underlying the options.

(4) Where disclosure of an amount paid or distributed pursuant to a plan is made under cash remuneration in paragraph 2, that amount shall not be included under sub-paragraph (1) f if a statement to that effect is made under paragraph 3.

(5) The disclosure required by sub-paragraph (1) f and g need not be provided where the amounts are paid, distributed or accrued pursuant to a defined benefit plan that specifies certain pension benefits to be received after retirement and determines an employee's entitlement to such pension benefits as a function of either or both the employee's years of service and earnings.”

**27.** This regulation is amended by deleting Schedules VII, VII.1 and VII.2.

**28.** This regulation is amended by replacing paragraph 3 of Item 6 of Schedule VIII by the following:

#### “3. Remuneration pursuant to plans

Remuneration pursuant to plans need be taken into account only to the extent that they discriminate, in scope, terms or operation in favor of executive officers or are not available to all full time employees other than those covered by collective agreements.

(1) Describe briefly any plan, pursuant to which cash or non-cash remuneration was paid or distributed during the last financial year or is proposed to be paid or distributed in a subsequent year.

This description includes:

(a) a summary of how the plan operates;

(b) the criteria used to determine amounts payable or, in the case of any plan involving options to purchase securities, the criteria used to determine the number of securities under options;

(c) the time periods over which the measurement of benefits will be determined;

(d) payment schedules;

(e) any recent material amendments to the plan;

(f) amounts paid or distributed during the last financial year or, in the case of any plan involving options to purchase securities, the number of securities optioned during the last financial year;

(g) amounts accrued for the group during the last financial year, inasmuch as the distribution or unconditional vesting of same is not subject to future events.

(2) With respect to options to purchase securities granted during the last financial year provide in addition to the information prescribed by 3, (1) a to f:

(a) the designation and aggregate number of securities under option;

(b) the average per security exercise price (when options with differing terms are granted, the information should be given for each class or type of option);

(c) when the price mentioned in b is less than the market value of the security underlying the option on the date the option is granted, provide the market price on such date.

(3) With respect to options exercised during the last financial year, provide, in addition to the information prescribed by subparagraphs a to f of paragraph (2), the aggregate net value (market value less exercise price) of the securities underlying the options.

(4) Where disclosure of an amount paid or distributed pursuant to a plan is made under cash remuneration in paragraph 2, that amount shall not be included under subparagraph (1) f if a statement to that effect is made under paragraph 3.

(5) The disclosure required by sub-paragraph (1) f and g need not be provided where the amounts are paid, distributed or accrued pursuant to a defined benefit plan that specifies certain pension benefits to be received after retirement and determines an employee's entitlement to such pension benefits as a function of either or both the employee's years of service and earnings."

**29.** This regulation is amended by the addition after Schedule XVI of the following:

**"SCHEDULE XVII**  
**OFFERING MEMORANDUM**  
(Seed capital)

The following warning must appear on the first page of the offering memorandum:

"No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered in the present offering memorandum and any representation to the contrary is an offence."

**OFFERING MEMORANDUM**

Offering made pursuant to section 47 of the Securities Act (Seed capital)

Designation and number of securities being distributed

(In the case of non-voting shares or of shares having less voting rights than another class, this fact must be mentioned.)

**Item 1:**  
**Distribution spread**

The information must be given for all the securities being distributed and be presented in tabular form on the first page of the offering memorandum.

**DISTRIBUTION SPREAD**

	Price to public	Dealer's remuneration*	Net proceeds from distribution
Per unit			
Total			

\* Not applicable where it is a registered dealer. In the case of another person the remuneration is not allowed (Section 47 of the Act).

Any remuneration other than a discount or a commission in cash must be set forth in a note following the table.

Where the securities are to be settled otherwise than in cash, give all the details on the terms and conditions of the settlement.

If the offer is made pursuant to a contractual plan, briefly describe the workings of the plan and give the date it came into operation.

#### Item 2:

##### **Plan of distribution**

The distribution can only be made by a dealer registered with the Commission or by the issuing company itself.

State who is making the distribution and the methods of payment for the securities by the subscribers.

#### Item 3:

##### **Market for securities**

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

**"There is no market for these securities so that it may be difficult or even impossible for the holders to sell them. They may sell them only with a prospectus except for a sale to one of the subscribers or to persons with whom the subscribers are associated. In this latter case, the Commission must be advised of the transaction five days before it takes place."**

2. Disclose how the distribution price was established, whether by negotiation with the dealer, arbitrarily by the issuer, or otherwise.

#### Item 4:

##### **Use of net proceeds from 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 used for general corporate purposes".

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. Indicate, in order of priority, the uses that will be made 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 large funds must be added to the proceeds of the distribution, indicate those sums and their source. If a material 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 incurred within the last two years.

4. If a material part of the proceeds of the distribution is used for the acquisition of property, outside the normal course of business of the issuer, briefly describe 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 determined.

Describe briefly the title to the property 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 5:

##### **Details of the distribution**

Describe briefly the securities being offered and the rights attached to them.

#### Item 6:

##### **Name and formation of issuer**

State the name of the issuer, the laws under which the issuer was formed and the date of formation, the address of its head office and of its principal office. Set out any material amendments to its constituting documents. In the case of a limited partnership, give the principal clauses of the partnership agreement.

#### Item 7:

##### **Operations of the issuer**

Briefly describe the business carried on or intended to be carried on by the issuer and, as the case may be, by its subsidiaries. Briefly describe the general de-

velopment of the business sector in which the issuer is engaged or proposes to engage in.

**Item 8:**

**Promoter**

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 9:**

**Senior executives**

List the names and addresses of all senior executives of the issuer and indicate present functions and principal occupations 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.

**Item 10:**

**Results**

Mention, as the case may be, that the financial statements for the last financial year may be furnished to eventual subscribers on request.

**Item 11:**

**Risk factors**

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

2. In addition to factors common to an activity sector, a particular factor that may affect the risk appraisal that a prudent investor would make must be mentioned.

3. Where there is a risk that a purchaser 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 12:**

**Restrictions concerning the disposition of securities**

Mention the restrictions concerning the disposition of the securities to be acquired.

**Item 13:**

**Auditors, transfer agents and registrars**

1. State the name and address of the auditors.

2. Where shares are offered, state the names of the transfer agents and registrars and the name of the city where the transfer registers for each class of shares are kept.

Where securities other than shares are offered, state the name of the city where are kept the registers on which transfers of securities are recorded.

**Item 14:**

**Conflicts of interests**

Declare any situation of conflict of interests for the issuer, the distributor, the promoter, the senior executives and any person required to furnish professional services to the issuer (manager, appraiser, etc.). In particular, describe the relationship between those persons and mention if transactions were made between them (purchase or sale of goods, service agreements, etc.); describe each of these transactions.

**Item 15:**

**Other material facts**

Give particulars of any other material facts regarding the distribution.

**Item 16:**

**Civil actions**

The offering memorandum must contain the following notice:

"The Securities Act provides purchasers with the right to ask for rescission or, in certain cases, damages following a distribution made with an offering memorandum which contains false or misleading information. However, these remedies must be exercised within the time limit prescribed. One should refer to the applicable provisions and eventually consult a legal adviser."

Item 17:

**Financial forecasts**

The issuer which prepares financial forecasts must do so in accordance with the Policy Statements of the Commission; they must then be included in the offering memorandum and accompanied with the accountant's comments.

Item 18:

**Signatures**

The offering memorandum must be signed by two senior executives of the issuer and by the promoter. It must also be signed by the dealer, if any."

**30.** This regulation is amended by replacing Form 1 by the following:





## INSTRUCTIONS

— A nil report is not required in Alberta, Manitoba, Ontario, Québec, Saskatchewan, or under federal legislation (CBCA and the Bank Act).

## 1. Identification of the reporting issuer

Provide the full legal name of the reporting issuer. Use a separate report for each reporting issuer.

## 2. Insider data

Indicate the relationship(s) with the reporting issuer (see List of Codes). If more than one, indicate all applicable Codes.

Specify the date of last report filed and if it is a first (initial) report, the date on which the holder became an insider.

## 3. Identification of the insider

Provide the following information about the insider: name, address, business telephone number, insider number and CUSIP number (corporate insider) if applicable.

Insider Report forms in English and French are available from the Ontario, Québec, Manitoba and federal jurisdictions.

Note: If you are a corporate insider in the province of Québec, you will receive correspondence in French. Individuals from the province of Québec will receive, upon request, correspondence in English.

## 4. Jurisdiction

Indicate each jurisdiction where the issuer is a reporting issuer.

## 5. Insider holdings and changes

Show direct and indirect holdings separately.

Where a transaction is reported, both direct and indirect holdings of the class of securities must be shown.

For first (initial) report complete only

- (A) designation of class of securities held,
- (B) present balance of class of securities held,
- (C) nature of ownership (see List of Codes),
- (D) identification of the registered holder where ownership is indirect.

If shares were purchased while insider complete all sections

- (A) Provide a designation of the securities traded sufficient to identify the class, including yield, series, maturity.
- (B) Provide the number of securities, or in the case of debt securities, the aggregate value, of the class held, directly and indirectly, before the transaction that is being reported.

## (C) Provide for each transaction

- the date of the transaction;
- the nature of the transaction (see List of Codes);
- the number of securities acquired or disposed of, or in the case of debt securities, the aggregate value;
- the unit price paid or received on the day of the transaction, excluding the commission;
- if the report is in American dollars, check the space under "\$ US"

(D) Provide the number, or in the case of debt securities, the aggregate value, of the class held, directly and indirectly, after the transaction that is being reported.

(E) Indicate the nature of ownership of the class of securities held (see List of Codes).

(F) For securities that are indirectly held, identify the registered holder.

## 6. Remarks

Add any explanation necessary to the clear understanding of the report. If space provided for any item is insufficient, additional sheets may be used. Additional sheets must be cross-referenced to the item and properly identified and signed.

Office staff is not permitted to alter, delete, or change a report.

## 7. Signature and filing

The report must be signed and dated.

Two copies of the report must be received by each jurisdiction in which it is filed within the time limits prescribed by the laws of that jurisdiction. See addresses below.

One of the two copies must be manually signed.

If the report is filed on behalf of a company, partnership, trust or other entity, the name of the company or other entity shall appear in printed form immediately following the signature. In the case of a company, there shall be filed with each jurisdiction in which the report is filed a certified copy of the resolution or by-law authorizing such person or persons to file. If the report is signed on behalf of an individual by an agent, there shall be filed with each jurisdiction in which the report is filed a duly completed power of attorney. The name of each individual signing a report shall be typed or printed legibly.

## LIST OF CODES

## Relationship with reporting issuer (Box no. 2)

Reporting issuer which has acquired securities issued by itself (or by any of its affiliates - CBCA)	1
Subsidiary of the reporting issuer	2
Security holder who beneficially owns or who exercises control or direction over more than 10% of the securities of the reporting issuer (Bank Act and Québec - 10% of a class of shares) to which are attached voting rights or an unlimited right to a share of the profits and in its assets in case of winding-up.	3
Director of a reporting issuer	4
Senior officer of a reporting issuer	5
Director or senior officer of a security holder referred to in 3	6
Director or senior officer of an affiliate (Bank Act and Québec - subsidiary) of the reporting issuer, other than in 4, 5 and 6	7
Deemed insider under the Canada Business Corporations Act or the Bank Act.	8

## Nature of the transaction (Box no. 5 (C))

Purchase or sale carried out in the market, excluding the exercise of an option	10
Purchase or sale carried out privately	20
Acquisition or disposition pursuant to a take-over bid	22
Change in the nature of ownership	25
Acquisition or disposition under a plan	30
Stock dividend	35
Purchase or sale of a call option	40
Purchase or sale of a put option	45
Expiration of an option	46
Acquisition or disposition by gift	50
Acquisition by inheritance or disposition by bequest	55
Short sale	60
Exercise of warrants	70
Exercise of rights	75
Exercise of options	76
Conversion or exchange	78
Capital reorganization	82
Stock split or consolidation	84
Redemption - cancellation	85
Issuer bid	87
Compensation for property	90
Compensation for services	95
Grant of options	96
Other than referred to above (please explain in Remarks)	97
Correction of information (amended report)	99

## Nature of ownership (Box no. 5 (E))

Direct ownership	0
Indirect ownership (identify the registered holder)	1

Alberta Securities Commission  
21st Floor  
10025 Jasper Avenue  
Edmonton, Alberta  
T5J 3Z5

British Columbia Securities Commission  
1200, 865 Hornby Street  
Vancouver, British Columbia  
V6Z 2H4

Commission des valeurs mobilières du Québec  
C.P. 246, Tour de la Bourse  
Montréal, Québec  
H4Z 1G3

The Director, Corporations Branch  
Consumer and Corporate  
Affairs Canada  
Place du Portage  
Ottawa/Hull  
K1A 0C9

Inspector General of Banks  
Department of Finance  
Ottawa, Ontario  
K1A 0G5

The Manitoba Securities Commission  
1128-405 Broadway  
Winnipeg, Manitoba  
R3C 3L8

Ontario Securities Commission  
Suite 1800, Box 55  
20 Queen Street West  
Toronto, Ontario  
M5H 3S8

Saskatchewan Securities Commission  
8th Floor  
1314 Hamilton Street  
Regina, Saskatchewan  
S4P 3V7



**6. SENIOR EXECUTIVES (complete list)**

Each senior executive must complete Form 3.

Name	Address	Position

**7. THE COMPANY**

(1) Date of incorporation of the company	YEAR	MONTH	DAY									
(2) Incorporating Act												
(3) SUPPLEMENTARY LETTERS PATENT Provide the dates of issuance	Yr.	M.	D.	Yr.	M.	D.	Yr.	M.	D.	Yr.	M.	D.
(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 as holding by one person of more than 10% of the voting rights attached to the securities issued by the dealer or the person controlling it. In calculating the percentage of voting rights held by a person, the voting rights controlled by that person and his joint actors must be added to those that belong to that person and his joint actors, in particular due to the fact that they can exercise the voting rights attached to these securities.												
(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 dealer having made a public offering, it is sufficient to give information concerning the securities held by the senior executives.												
(7) BENEFICIAL OWNERSHIP												
Do the persons mentioned in Items 5 and 6 above hold the securities mentioned on behalf of other persons?										YES	NO	
										<input type="checkbox"/>	<input type="checkbox"/>	
if YES, provide the names and addresses of the persons who own the securities.												
In the case where the owner is a legal person, provide the names and addresses of the persons that own a major position in 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 Provide the following information on a separate sheet if space is lacking.	PREFERRED SHARES (NUMBER)	COMMON SHARES (NUMBER)	VALUE \$
(a) authorized capital stock			
(b) issued and outstanding			
(c) per 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		
<b>TOTAL</b>			

**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
						<input type="checkbox"/>	<input type="checkbox"/>
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
	<input type="checkbox"/>	<input type="checkbox"/>



**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 the registration been withdrawn?	<input type="checkbox"/>	<input type="checkbox"/>

**12. STOCK EXCHANGE, DEALERS' 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 dealers' 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 offence under a securities law or regulation enacted in Québec or elsewhere?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
(b) been found guilty of fraud or theft related to a securities transaction?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
(c) been involved in an injunction following a fraudulent transaction?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
(2) been found guilty in the last 10 years of a criminal offence under a law enacted in Québec or elsewhere?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

**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 <input type="checkbox"/>	NO <input type="checkbox"/>

**15. BANKRUPTCY**

Has the applicant been declared bankrupt or made an assignment of property to his creditors during the last 10 years?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

**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 <input type="checkbox"/>	NO <input type="checkbox"/>

**17. INSURANCE OR SURETY**

<b>(1) CONTRACT FOR UNIVERSAL SURETY</b>						
Name of the insurance company		<input type="text"/>				
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.						
<b>(2) POSTAL INSURANCE</b>						
Name of the insurance company		<input type="text"/>				
Amount of coverage	<input type="text"/>	Deductible	<input type="text"/>	Expiry date	YEAR	MONTH DAY
<b>(3) OTHER</b>						
Provide all details						
<b>(4) DEMANDS FOR SETTLEMENT</b>						
Have demands for settlement been made to your insurance company during the last financial year?		YES <input type="checkbox"/>		NO <input type="checkbox"/>		
If YES, give details on a separate sheet.						

\_\_\_\_\_  
signature of senior executive 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 whereof,

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, at a date not more than 90 days before the date of the application for registration;
2. The fees payable as prescribed in Chapter 11 of Title VI of the Regulations;
3. A certified copy of the resolution of the board of directors of the company authorizing one or more senior executives to sign the application form and all the related documents.

**32.** This regulation is amended by replacing Form 3 by the following:

**“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 approval from a self-regulatory agency;
  - (b) requests approval from a Canadian securities commission as a senior executive of a dealer or adviser;
  - (c) applies to a Canadian securities commission for registration as a dealer 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 senior executive of the firm responsible or from a lawyer.
6. A copy of the application must be filed with the applicable securities commission. 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 n° 7	Other confirmation
Application approved by	Date

7. The senior executive 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.:
Address for service in Québec Position with the firm		Date of beginning of employment YEAR MONTH DAY

## 2. FIRM

Name	Area code: Tel. No.:
Address of place of work (number, street, town, province, postal code)	

## 3. NATURE OF THE APPLICATION

Check the boxes required to identify precisely the nature of the application.

The nature of the application depends upon the applicable provisions of the laws and regulations respecting securities and by-laws, respecting futures 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.

<b>REGISTRATION (Representative)</b> <input type="checkbox"/> Unrestricted <input type="checkbox"/> Financial intermediary <input type="checkbox"/> Stock exchange representative <input type="checkbox"/> Trader <input type="checkbox"/> Mutual funds <input type="checkbox"/> Investment contracts <input type="checkbox"/> Futures contracts <input type="checkbox"/> Scholarship plans <input type="checkbox"/> Other (specify) _____	<b>CERTIFICATION (senior executive)</b> <input type="checkbox"/> Director <input type="checkbox"/> Officer <input type="checkbox"/> Shareholder _____ % of securities held <input type="checkbox"/> Branch manager <input type="checkbox"/> Director, shareholder or senior executive of a certified subsidiary <input type="checkbox"/> 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"/> Toronto Stock Exchange	<input type="checkbox"/> Other (specify) _____		
<input type="checkbox"/> Toronto Futures 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	

**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 of the applicant, his signature and that of a commissioner for oaths or of a senior executive 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		
Other		

**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 registered representatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Examination for partners/directors/senior executives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Examination for shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
The financing of investment in Canada				
Course n° 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"/>	_____
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 stock exchange futures contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Branch manager examination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Examination for futures contracts officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Other (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 Montréal, 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 ten 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.	M.	Yr.	M.
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 ten years.**

Address (n°, street, town, province, postal code)	FROM		TO	
	Yr.	M.	Yr.	M.
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 name furnished must be an employee of a branch of a bank or a trust company where you have an account (indicate your account number).

Name	Employer	Address (with postal code) and office telephone number (with area code)	Position

Address of the branch where you have an account:

Account 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 REGISTRATION**

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 futures 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 senior executive 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 senior executive? \_\_\_\_\_

(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 futures 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 senior executive 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 senior executive 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? \_\_\_\_\_

If NO, have you been a shareholder, partner or senior executive? \_\_\_\_\_

(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 futures contracts? \_\_\_\_\_

(4) Have you ever been refused an exemption from registration? \_\_\_\_\_

(5) Has a self-regulatory securities, commodities or futures contracts agency ever taken disciplinary measures against you or against a company of which you were a senior executive, 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 senior executive, 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 futures contracts exchange, a dealers' 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 Income Tax Act (Canada) or the Immigration Act (Canada) 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 senior executive of the firm responsible or of a lawyer.

(1) Previous convictions in securities, commodities or futures 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 futures contracts trading, of theft of securities or of any similar offence? \_\_\_\_\_

(2) Previous convictions for other matters

Have you been found guilty, during the last ten years 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 senior executive, a partner or a shareholder holding more than 5 % of the voting shares, subject or has it been the subject of a conviction, proceedings or charges during the last ten years under a law enacted in Québec or elsewhere in respect of an offence mentioned in 1 or 2? \_\_\_\_\_

#### 16. CIVIL PROCEEDINGS

(1) Has a company of which you are or have been a senior executive, 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 conviction or any court proceedings taken: \_\_\_\_\_

(a) against you? \_\_\_\_\_

(b) against a company of which you are or have been a senior executive, 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 been 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 senior executive, 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 senior executive, a partner, a shareholder or a holder of debt securities of another company that carries on the business of a securities, commodities or futures contracts broker or adviser?

**SECTION D**

21. Are you or will you become, after approval has been granted, owner of securities of the firm?

22. (1) Indicate the number, value, class and percentage of shares or units that you hold or that you plan to acquire after your approval. If you plan to acquire shares or units after your approval, 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 and if they are subordinated.

23. Indicate the source of the funds that you plan to invest in the firm. Explain.

24. Are the funds that you will invest guaranteed? If Yes, explain.

25. 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.

A FALSE STATEMENT 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 senior executive 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 senior executive or partner of the firm name of the firm

**33.** This regulation is amended by the addition of the following Form:

**"FORM 4**

**THE PRESENT FORM MUST BE COMPLETED BY A SENIOR EXECUTIVE OR A PROMOTER OF A COMPANY MAKING A DISTRIBUTION.**

**SECTION A**

**1. IDENTIFICATION**

Surname		First name			Social insurance number			
Address of residence (including postal code)					Area code: Tel. No.:			
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	

**2. ISSUER**

Name	Area code: Tel. No.:
Address of head office (number, street, town, province, postal code)	



**5. 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 branch of a bank or a trust company where you have an account (indicate your account number).

Name	Employer	Address (with postal code) and office telephone number (with area code)	Position

Address of the branch where you have an account:

Account No. \_\_\_\_\_

\_\_\_\_\_

**SECTION B**

ANSWER "YES" OR "NO" TO EACH OF THE FOLLOWING QUESTIONS. IN THE CASE OF AN AFFIRMATIVE ANSWER, PROVIDE DETAILS OR SUBMIT SUPPORTING DOCUMENTS.

**6. 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?

\_\_\_\_\_

\_\_\_\_\_

## 7. 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 futures 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 senior executive 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 senior executive? \_\_\_\_\_

- (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 futures contracts? \_\_\_\_\_

If YES, is the registration still in force? \_\_\_\_\_

If NO, have you applied for it? \_\_\_\_\_

## 8. 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 senior executive 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? \_\_\_\_\_

If NO, have you been a shareholder, partner or senior executive? \_\_\_\_\_

- (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 futures contracts? \_\_\_\_\_

- (4) Have you ever been refused an exemption from registration? \_\_\_\_\_

- (5) Has a self-regulatory securities, commodities or futures contracts agency ever taken disciplinary measures against you or against a company of which you were a senior executive, a partner or a shareholder holding more than 5 % of the voting securities? \_\_\_\_\_

## 9. SELF-REGULATORY AGENCIES

Has a company of which you are or were a senior executive, 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 futures contracts exchange, a dealers' 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? \_\_\_\_\_

## 10. INFRACTIONS

Any infraction of a federal law, such as the Income Tax Act (Canada) or the Immigration Act (Canada) 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 senior executive of the firm responsible or of a lawyer.

- (1) Previous convictions in securities, commodities or futures 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 futures contracts trading, of theft of securities or of any similar offence? \_\_\_\_\_

- (2) Previous convictions for other matters

Have you been found guilty, during the last ten years 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 senior executive, a partner or a shareholder holding more than 5 % of the voting shares, subject or has it been the subject of a conviction, proceedings or charges during the last ten years under a law enacted in Québec or elsewhere in respect of an offence mentioned in 1 or 2? \_\_\_\_\_



**11. CIVIL PROCEEDINGS**

- (1) Has a company of which you are or have been a senior executive, 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 conviction or any court proceedings taken: \_\_\_\_\_
- (a) against you? \_\_\_\_\_
- (b) against a company of which you are or have been a senior executive, a partner or a shareholder holding more than 5 % of the voting securities at the time proceedings were taken? \_\_\_\_\_

**12. 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 been 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 senior executive, 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? \_\_\_\_\_

**13. 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? \_\_\_\_\_

