

SECURITIES REGULATION

Errata, 1985 G.O. 2, 1121

Securities Act

(chapter V-1.1, r. 50)

TITLE I

GENERAL PROVISIONS

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

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

“trading intended to fix or stabilize the market price of a security”: a transaction or a bid intended to prevent or delay a decline in the market price of a security.

O.C. 660-83, s. 1.

1.1. *Commodities futures contracts, financial futures contracts, currencies futures contracts and stock indices futures contracts are forms of investment subject to Titles V to VII and IX to XI of the Act, mutatis mutandis. The Commission is empowered to decide on the changes to be made for the application of those provisions to futures contracts.*

O.C. 1758-84, s. 1.

1.2. *Persons already registered with the Commission do not have to register again to trade futures contracts on behalf of clients.*

O.C. 1758-84, s. 1.

1.3. *An intermediary who trades in a futures contract for the account of a client shall give him before the first trade, in lieu of the document prescribed by section 167 of the Act, the information document prescribed by policy statement.*

O.C. 1758-84, s. 1.

1.4. *Trades in a futures market may only be affected in contracts appearing on a schedule determined by the Commission. This schedule includes contracts approved by*

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the Commission or, in the case of exchanges located in another Canadian province or in the United States, approved by the regulatory body designated by the Commission.

The Commission may strike a contract off the schedule.

O.C. 1758-84, s. 1.

1.5. The rule prescribed in section 1.4 does not apply to a hedger, that is, a person who usually carries on a professional activity which exposes him to a risk attendant upon fluctuations in price and who offsets that risk through trading on markets where trading of futures contracts is of a nature to protect him against that particular risk.

O.C. 1758-84, s. 1.

1.6. A person who trades in futures contracts solely for the account of hedgers is exempted from registration as a dealer with the Commission to carry on business as an intermediary in the trading of futures contracts, under the following conditions:

- (1) the person is an associate member of the Montréal Exchange;*
- (2) the person is subject to the by-laws and rules of the Montréal Exchange concerning futures contracts;*
- (3) the person responsible for the trading of the contracts meets the qualification requirements of the Montréal Exchange.*

O.C. 1758-84, s. 1.

1.7. A limited partnership's unit is a form of investment to which the Act applies, the same as the other forms of investment enumerated in section 1 of the Act.

O.C. 1263-85, s. 1.

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

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

O.C. 660-83, s. 2; Errata, 1985 G.O. 2, 1121.

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3. For the purpose of the Act and the Regulation, any of the following securities is acceptable as "gilt-edged security":

(1) debt securities secured by one of the following:

(a) a first mortgage or a lien on an immovable;

(b) the pledge of equipment, in the case of a company which has regularly paid in full the interest on these securities during the last 5 years;

(c) the pledge of gilt-edged securities or of securities mentioned in paragraph 1 of section 3 of the Act or in paragraphs 1 or 2 of section 41 of the Act;

(2) debt securities issued or guaranteed:

(a) either by a company whose common, restricted or preferred shares are considered gilt-edged securities;

(b) or by a company which has realized, during the last 5 years, accumulated earnings representing at least 10 times the interest on all indebtedness of or guaranteed by the company, other than indebtedness classified as a current liability;

(3) preferred shares issued:

(a) either by a company which has paid, during the last 5 years, the specified dividend on all its preferred shares;

(b) or by a company whose common or restricted shares are considered gilt-edged securities;

(4) common or restricted shares listed on a stock exchange recognized by the Commission for the purpose of this section and issued by a company which, during its last 5 years, has paid or had earnings available to pay, after deducting preferred dividends, a dividend equal to not less than 4% of the average value of these shares as shown in the capital stock account.

In this section, the term "year" means a normal accounting period of 12 months, so that necessary adjustments must be made in the case of a company that has an accounting period longer or shorter than 12 months.

In the case of a company resulting from a merger or of a parent company which owns an interest of more than 50% in another company, the financial criteria must be applied on the basis of consolidated accounts.

O.C. 660-83, s. 3; O.C. 1263-85, s. 2.

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4. *The following issuers are exempted from drawing up financial statements in accordance with generally acceptable accounting principles and with the provisions of the present regulation:*

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

(2) *a life insurance company that holds a permit issued under the Insurance Act (chapter A-32).*

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

O.C. 660-83, s. 4; O.C. 1263-85, s. 3.

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

O.C. 660-83, s. 5.

6. *The Commission may designate the Items in the Schedules that must be omitted where it considers that the disclosure presented might mislead investors.*

O.C. 660-83, s. 6.

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

O.C. 660-83, s. 7.

8. *The order of the Items in the Schedules is not obligatory.*

O.C. 660-83, s. 8.

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

O.C. 660-83, s. 9.

10. *Where the Schedules prescribe tables, the essential elements of the presentation must be complied with.*

O.C. 660-83, s. 10; Errata, 1985 G.O. 2, 1121.

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

O.C. 660-83, s. 11.

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

O.C. 660-83, s. 12.

13. Sections 2, 16, 18, 23, 27, 29 to 33, 37 to 39, 42, 43, 50, 53, 54, 58 to 62, 66, 67, 69, 77 to 84, 88, 89, and paragraphs 1 to 3 of section 93 also apply to a preliminary prospectus.

O.C. 660-83, s. 13.

14. A recognized organization must file, at the time it files the financial statements prescribed by section 184 of the Act, the following information as at the date of filing:

- 1. a list of its senior executives*
- 2. a list of its members*

O.C. 660-83, s. 14.

TITLE II DISTRIBUTION OF SECURITIES TO THE PUBLIC

CHAPTER I PROSPECTUS

DIVISION I GENERAL PROVISIONS

15. The request for a receipt shall be made by the filing of a preliminary prospectus or a draft prospectus as well as the documents prescribed by this regulation.

O.C. 660-83, s. 15; Errata, 1985 G.O. 2, 1121.

16. The prospectus must set forth the information prescribed in Schedule 1 or, in the case of the units of an unincorporated mutual fund or shares of an incorporated mutual fund, in Schedule II.

O.C. 660-83, s. 16.

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17. *A prospectus filed solely to enable an issuer to become a reporting issuer in accordance with section 68 of the Act must contain the information prescribed in Schedule I, mutatis mutandis.*

O.C. 660-83, s. 17.

18. *The prospectus must set forth the information prescribed in Schedule III in the case of securities of an issuer distributed through a stock exchange recognized for that purpose by the Commission.*

O.C. 660-83, s. 18.

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.*

O.C. 977-88, s. 1.

19. *The Commission may refuse to issue a receipt for a prospectus more than 75 days after the date that a receipt was issued for the preliminary prospectus, or the filing of a draft prospectus, where the time limit has been exceeded through the failure to act of the person applying for the receipt.*

O.C. 660-83, s. 19.

20. *Where a distribution is made by a person who is not registered as prescribed by section 148 of the Act, the Commission may refuse to issue a receipt for the prospectus until the person is registered as a dealer.*

O.C. 660-83, s. 320.

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

O.C. 660-83, s. 21.

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

(1) *in the case of a firm underwriting, the dealer must undertake to take delivery of the securities or to withdraw the distribution within 6 weeks from the issuance of a receipt for the prospectus;*

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

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(3) *in the case of a best efforts underwriting containing a minimum sum to be raised, this minimum must be raised within the maximum delay of 60 days after the issuance of a receipt for the prospectus, unless the Commission authorizes an extension and the consent of the subscribers thereto is obtained.*

The rule prescribed in paragraph 2 does not apply when the distribution is made by a dealer with an unrestricted practice which is a member of a self-regulatory organization recognized by the Commission and is not an introducing broker, on the condition that a register be kept containing the date of the subscription, the name and account number or address of each subscriber and the number of securities subscribed.

O.C. 660-83, s. 22; O.C. 1263-85, s. 4.

23. *Where any of the rules prescribed in section 22 applies, it must be so stated on the first page of the prospectus.*

O.C. 660-83, s. 23.

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

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

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

O.C. 660-83, s. 24.

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

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

(2) *the issuer files, no later than at the time it files a preliminary prospectus, its request for registration as an issuer-distributor in accordance with section 192;*

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

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

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(5) *the senior executives of the issuer and their associates may not subscribe to securities that form part of the distribution, except to the extent that a declaration of that fact is made in the prospectus.*

In the case set out in paragraph 2, the Commission grants a conditional registration as a security issuer. The issuer must obtain his registration prior to the issue of a receipt for the prospectus.

O.C. 660-83, s. 25; O.C. 697-87, s. 1.

26. *When an issuer distributes shares, other than preferred shares, not having a right to vote or having restricted rights to vote, or securities convertible into shares of this kind, it must agree to give to all of the eventual holders of the securities offered notice of all general, ordinary or special meetings of shareholders.*

O.C. 660-83, s. 26.

27. *A prospectus dealing with debt securities issued by a finance company, without a trust deed, must state that fact on the first page.*

O.C. 660-83, s. 27.

28. *The Commission may refuse to issue its receipt where the registrar and transfer agents are not acceptable to the Commission.*

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

O.C. 660-83, s. 28.

29. *The prospectus must contain the following notice:*

“Securities legislation in certain of the provinces provide purchasers with the right to withdraw from an agreement to purchase the securities within 2 business days after receipt of this prospectus and any amendment, as well as remedies for rescission or, in certain provinces, damages where the prospectus contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission damages are exercised by the purchaser within the time limit prescribed by the securities legislation of his province. The purchaser should refer to any applicable provisions of the securities legislation of his province for the particulars of these rights or consult with a legal advisor.”

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

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“The Securities Act (Québec) provides purchasers with the right to withdraw from an agreement to purchase the securities within 2 business days after receipt of this prospectus or any amendment thereto, 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.

In the case of a contractual plan, the prospectus must contain the notice prescribed by Schedule II.

O.C. 660-83, s. 29; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 5; O.C. 697-87, s. 2; O.C. 977-88, s. 2.

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

“No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.”

O.C. 660-83, s. 30.

30.1. *When a firm underwriting agreement contains a market out clause, a statement, as set out in the following example, must appear on the first page of the prospectus:*

“The firm underwriter conditionally offers the securities described in this prospectus subject to prior sale, if, as and when issued by the company and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under Plan of Distribution on page _____ and subject to the approval of all legal matters by the lawyers of the company and of the underwriter.”

This rule applies, mutatis mutandis, to a firm purchase agreement.

O.C. 1263-85, s. 6; O.C. 697-87, s. 3.

30.2. *When securities are distributed only in Québec, the following warning regarding the scope of the distribution must appear on the first page of the prospectus:*

“The securities offered by the present prospectus are offered only in Québec; they may be lawfully offered for sale only by persons registered with la Commission des valeurs mobilières du Québec.”

When securities are distributed in more than one province, the previous notice is replaced by the following:

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“This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and, therein only by persons permitted to sell such securities.”

O.C. 697-87, s. 3.

31. *The date of the prospectus must appear on the first page. In the case of an incorporated or unincorporated mutual fund, the date may be expressed in figures or in a code inasmuch as the meaning of the code is filed with the Commission.*

O.C. 660-83, s. 31; O.C. 1263-85, s. 7.

32. *The prospectus must contain the following certificate:*

“This prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”

The certificate must be signed by the chief executive officer of the issuer, or by a person who holds a similar position, by the chief financial officer, and by 2 other persons selected from the directors and authorized for that purpose. Where applicable, it is also signed by the promoter or by his agent, when the Commission so authorizes.

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

O.C. 660-83, s. 32; Errata, 1985 G.O. 2, 1121.

33. *The prospectus referred to in section 17 must contain the following certificate:*

“This prospectus contains no misrepresentation likely to affect the value or the market price of the securities already issued.”

The provisions of the second and third paragraphs of section 32 apply to this section.

O.C. 660-83, s. 33.

34 *Where the issuer has fewer than 4 senior executives, they must all sign the certificate.*

O.C. 660-83, s. 34.

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35. *The Commission may require, on the conditions that it sets, the signing of the certificate by a person who, during the 2 preceding years, acted as promoter for the issuer.*

O.C. 660-83, s. 35.

36. *In the case of a firm underwriting, the lead underwriter must file with the Commission, within 30 days after the issue of the receipt for the prospectus, the list of the members of the banking group syndicate, indicating the percentage of the issue allocated to each.*

The banking group syndicate means the group of dealers who, after the firm underwriting, divide the issue between them for the distribution.

O.C. 660-83, s. 36; O.C. 1263-85, s. 8.

37. *In the case of a distribution made by a dealer other than the issuer-distributor, the prospectus must contain at the end the following certificate, signed by the dealer:*

“To our knowledge, this prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”

The Commission may authorize the dealer to sign the certificate through an agent. Where there is more than one underwriter, it may be signed by the lead underwriter only.

O.C. 660-83, s. 37.

37.1. *With regard to executive officers' remuneration, the information prescribed by various schedules may be substituted by a more detailed information, presented in accordance with the requirements of foreign rules recognized by the Commission.*

O.C. 1263-85, s. 9.

37.2. *When a distribution is made pursuant to an exemption, any disclosure document delivered to subscribers, even if such document is not required by the Act or the Regulations, must be filed without delay with the Commission, unless it has previously been filed.*

O.C. 697-87, s. 4.

DIVISION II FINANCIAL STATEMENTS

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38. *The prospectus must set forth, except in the case of an unincorporated mutual fund or an incorporated mutual fund, the most recent financial statements namely:*

(1) *either the audited statements as at a date not more than 120 days before the date of the issuance of a receipt for the preliminary prospectus or of the filing of the draft prospectus;*

(2) *or unaudited statements as at a date not more than 90 days before the date of the issuance of a receipt for the preliminary prospectus or the filing of the draft prospectus, only in the case where the closing of the last financial year was more than 120 days, but less than one year, before the date.*

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

O.C. 660-83, s. 38; Errata, 1985 G.O. 2, 1121.

39. *The following statements must be set forth in the prospectus, except in the case of an unincorporated mutual fund or an incorporated mutual fund:*

(1) *an income statement for each of the last 5 financial years, and, where available, for the current financial year as at the date of the most recent statements;*

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

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

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

If the date of the most recent balance sheet does not correspond with the end of the financial year, it may be presented either with the corresponding balance sheet for the preceding year, even if it is not audited, or with the audited balance sheets at the end of the last 2 financial years.

O.C. 660-83, s. 39.

40. *In the case of an incorporated or unincorporated mutual fund, the following audited financial statements must be presented in the prospectus:*

(1) *the balance sheet and the statement of investment portfolio as at the end of the last financial year;*

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(2) *the income statement, the statement of portfolio transactions and the statement of changes in net assets for the last financial year.*

These statements must contain the information prescribed by Division IV of Chapter I of Title III.

The statement of portfolio transactions may be replaced by the semi-annual statements of portfolio transactions. Notwithstanding the rule prescribed in the first paragraph, the statement of portfolio transactions may not be audited.

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

O.C. 660-83, s. 40; O.C. 1263-85, s. 10.

41. *A note to the financial statements prescribed by section 40 must indicate for each of the last 5 financial years:*

- (1) *the net value per share at the end of the financial year;*
- (2) *the distribution per share from;*
 - (a) *investment income;*
 - (b) *realized gains;*
- (3) *the management expense ratio expressed as a percentage of average net assets.*

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

O.C. 660-83, s. 41.

42. *A prospectus in which the most recent financial statements deal with only part of the financial year or with a financial year less than 12 months must also present the income statement, the statement of retained earnings and the statement of changes in financial position for the corresponding period of the last financial year.*

It is not necessary that these statements be audited.

O.C. 660-83, s. 42; O.C. 977-88, s. 3.

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

O.C. 660-83, s. 43.

44. *The Commission may require or permit the presentation in the prospectus of a pro forma balance sheet of the issuer and of all its subsidiaries which takes into account the issuing, redemption or cancellation of securities of the issuer, or any other transaction it may require. The balance sheet must be dated as at the date of the most recent financial statement of the issuer.*

O.C. 660-83, s. 44.

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

(1) *the financial statements of the business acquired, in accordance with the provisions of subparagraphs 1 to 3 of section 39 and section 42, and its most recent balance sheet;*

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

O.C. 660-83, s. 45.

46. *Where the Commission considers this information useful to investors, it may require, for the year preceding that of the most recent balance sheet of the issuer, or may permit, for each of the 5 years preceding that date, the presentation in the prospectus of pro forma statements combining:*

(1) *the income statement of the issuer and those of the business acquired;*

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

O.C. 660-83, s. 46.

47. *The report of the auditor on the pro forma financial statements prescribed in paragraph 2 of section 45 and section 46 may deal only with the way in which those statements were drawn up.*

O.C. 660-83, s. 47.

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48. *In the case of the financial statements of an issuer referred to in section 2, the supplementary notes explain the significant differences from generally accepted accounting principles and give an assessment in figures of their effect.*

O.C. 660-83, s. 48.

49. *A prospectus relating to an issue of debt securities having a term to maturity in excess of one year or to an issue of preferred shares, must contain information concerning asset coverage and earning coverage unless exempted by the Commission.*

O.C. 660-83, s. 49.

50. *Financial forecasts included in the prospectus must be prepared in accordance with the Policy Statements of the Commission, and must be accompanied with the accountant's comments.*

During the period of the distribution, the issuer or the dealer shall not publish other forecasts, in full or in summary form, than those contained in the prospectus, in the offering notice or offering memorandum prescribed by the Act or the Regulation, or in the document authorized by the Commission for use in lieu of a prospectus.

O.C. 660-83, s. 50; O.C. 1263-85, s. 11.

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

When the auditor's report on the financial statements of a subsidiary contains qualifications, the report and the financial statements must be filed with the Commission.

O.C. 660-83, s. 51.

52. *The Commission may permit the presentation in the prospectus of unconsolidated financial statements as additional information.*

O.C. 660-83, s. 52.

53. *Where the issuer is a legal person, its financial statements presented in a prospectus must be submitted before their approval by the board of directors for review to the audit committee of the board of directors, where it has such a committee.*

The approval of the board of directors is evidenced by the manual signature of 2 directors authorized for that purpose.

O.C. 660-83, s. 53; Errata, 1985 G.O. 2, 1121.

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54. *In the case where a prospectus contains unaudited financial statements, the issuer must send to the Commission advice from the auditor, drawn up in accordance with the recommendations of the Handbook of the Canadian Institute of Chartered Accountants, or such advice as the Commission may require.*

O.C. 660-83, s. 54.

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

O.C. 660-83, s. 55.

56. *An auditor who has not progressed sufficiently in his examination of the books to make the declaration prescribed in section 55 may replace it by appropriate observations, subject to their acceptance by the Commission.*

O.C. 660-83, s. 56.

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

O.C. 660-83, s. 57.

DIVISION III THE SIMPLIFIED PROSPECTUS

58. *The simplified prospectus must present the information prescribed by Schedule IV.*

A reporting issuer that meets the conditions prescribed by section 18 of the Act is only required to present the information indicated in Part A inasmuch as it also meets the conditions prescribed by paragraphs 1 and 2 of section 160 or section 161 or 162 of the Regulation; otherwise, it must also present the information required by Part B.

O.C. 660-83, s. 58; O.C. 1263-85, s. 12.

59. *The simplified prospectus must contain the following statement on the first page:*

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“This simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from your dealer or from the issuer at the following address:_____”

O.C. 660-83, s. 59.

59.1. *The simplified prospectus contains the following statement in bold type:*

“The disclosure documents listed hereinafter and filed with La Commission des valeurs mobilières du Québec (or where the distribution is made in Québec and elsewhere in Canada: “with the competent authorities”) are an integral part of the simplified prospectus:

- (1) the annual financial statements and auditor’s report for the financial year ended _____ contained in the annual report;*
- (2) the annual information form (Schedule IX) filed since the end of the financial year mentioned in 1;*
- (3) the quarterly financial statements filed since the end of the financial year mentioned in 1;*
- (4) the proxy circular filed since the end of the financial year mentioned in 1;*
- (5) the notices of material changes filed since the end of the financial year mentioned in 1 (give the date of each filing);*
- (6) the information included in the annual report in accordance with sections 160 to 162 (indicate the subject the information refers to);*
- (7) any other document added to the permanent information record that the issuer wishes to incorporate in the simplified prospectus or which replaces a document mentioned in paragraphs 1 to 4 (identify the document and give the date of filing).*

The disclosure documents, prescribed by chapter II of Title III of the Act, filed between the date of the simplified prospectus and the date of the end of the distribution also form an integral part of the simplified prospectus.

O.C. 1263-85, s. 14.

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

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If the board of directors of the issuer has approved annual financial statements which have not yet been filed with the Commission, they shall be filed concurrently with the simplified prospectus. Furthermore, the issuer must then issue a press release setting forth the highlights of those financial statements.

O.C. 660-83, s. 60; O.C. 1263-65, s. 15.

61. *A simplified prospectus must contain the following certificate:*

“This simplified prospectus, as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.”

The provisions of the second and third paragraphs of section 32 and section 34 apply to this section.

O.C. 660-83, s. 61.

62. *In the case of a distribution made by a dealer other than the issuer-distributor, the simplified prospectus must contain, at the end, the following certificate, signed by the dealer:*

“To our knowledge, this simplified prospectus as supplemented by the permanent information record contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.”

The provisions of the second paragraph of section 37 also apply to the present section.

O.C. 660-83, s. 62.

DIVISION III.1 THE SHELF PROSPECTUS

O.C. 1263-85, s. 16.

62.1. *The reporting issuer which has filed a permanent information record, if it fulfills the conditions prescribed by section 160, 161 or 162, may avail itself of the shelf prospectus system prescribed by section 24.1 of the Act.*

With respect to the conditions prescribed by section 160, the value of outstanding shares is determined by way of policy statement.

O.C. 1263-85, s. 16.

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62.2. *The Commission determines through a policy statement the securities that may be the subject of a shelf prospectus.*

O.C. 1263-85, s. 16.

62.3. *The shelf prospectus must present the information prescribed by Part A of Schedule IV, mutatis mutandis.*

O.C. 1263-85, s. 16.

62.4. *The provision prescribed by section 19 does not apply to the shelf prospectus.*

However, in order to comply with the comments expressed by the Commission, the issuer must make the necessary amendments within the next 75 days following the filing of the shelf prospectus. If the issuer does not meet this time limit, he may not avail himself of the shelf prospectus system.

If the case arises, the amended shelf prospectus is sent to persons who have received the initial shelf prospectus.

O.C. 1263-85, s. 16.

62.5. *The shelf prospectus must show on the front page the maximum amount or number of securities that are proposed to be distributed.*

O.C. 1263-85, s. 16.

62.6. *The shelf prospectus may, in addition to the information the omission of which is prescribed by section 75, omit the name of the lead underwriter and of the members of the firm underwriting group and the dealer's certificate.*

O.C. 1263-85, s. 16.

62.7. *As a departure from section 26 of the Act, an amendment to the shelf prospectus is required only when there is an important change in the information presented in the shelf prospectus. The amendment is then filed with the Commission as soon as possible.*

However when the change gave rise to the press release prescribed by section 73 of the Act, an amendment is not necessary.

O.C. 1263-85, s. 16.

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62.8. *If the issuer has not made a distribution of securities at the time of updating the annual information form prescribed by Schedule IX, he must file on that occasion a new shelf prospectus, unless the Commission decides otherwise.*

O.C. 1263-85, s. 16.

62.9. *The supplement prescribed by section 24.1 of the Act must present the information omitted in the shelf prospectus and an updating of the statement prescribed by section 59.1.*

O.C. 1263-85, s. 16.

62.10. *The Commission will issue a receipt as soon as the supplement is filed if the issuer declares that this supplement and the shelf prospectus are identical to the shelf prospectus, except with respect to the information that may be omitted, the updating prescribed by section 62.9 or a change in the distribution procedure.*

O.C. 1263-85, s. 16.

DIVISION IV

SPECIAL PLANS

The simplified prospectus

63. *A simplified prospectus for an unincorporated mutual fund or an incorporated mutual fund must present the information prescribed in Schedule V.*

O.C. 660-83, s. 63.

64. *This simplified prospectus must be sent accompanied by the following financial statements:*

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

O.C. 660-83, s. 64.

65. *A simplified prospectus must contain the following statement on the first page or on the outside cover:*

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“The information contained herein must be accompanied by the annual financial statements of the issuer for the last financial year and the auditors’ report thereon, which statements and report are considered to form part of this document. If subsequent financial statements have been filed with the Securities Commission, a copy of the most recent of such subsequent statements must also accompany this document.”

O.C. 660-83, s. 65; O.C. 697-87, s. 5.

65.1. *The incorporated or unincorporated mutual fund is exempted from the requirement prescribed by subparagraph 2 of section 18 of the Act.*

O.C. 697-87, s. 5.

DIVISION V

SPECIAL PLANS

Exemption from prospectus

O.C. 1263-85, s. 17

66. *The issuer which has already distributed securities pursuant to the exemption prescribed by section 47 or 48 of the Act may avail itself of the present special plan of prospectus exemption for a first time, after a delay of 12 months from the end of the distribution, and, subsequently, after a delay of 12 months from the end of that last distribution.*

O.C. 660-83, s. 66; O.C. 1263-85, s. 17.

67. *The distribution must meet the conditions prescribed by section 47 of the Act except those prescribed by subparagraphs 6 and 7 of the first paragraph.*

O.C. 660-83, s. 67; O.C. 1263-85, s. 17.

68. *The issuer must prepare an offering memorandum subject to examination by the Commission.*

O.C. 660-83, s. 68; O.C. 1263-85, s. 17.

69. *The exemption applies only where the Commission agrees thereto or does not raise any objection, within 15 days of receiving the offering memorandum.*

O.C. 660-83, s. 69; O.C. 1263-85, s. 17.

70. *The offering memorandum prescribed by section 68 must present the information prescribed by Schedule VI.*

O.C. 660-83, s. 70; O.C. 1263-85, s. 17.

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70.1. *The issuer or the dealer must send the offering memorandum to the persons solicited before accepting any undertaking from them.*

O.C. 1263-85, s. 17.

70.2. *The amount of securities offered must not exceed 3 000 000 \$.*

O.C. 1263-85, s. 17.

70.3. *The offering memorandum must present the financial statements and the auditor's report prescribed by Division II; however, with respect to preceding financial years, only the statements of the last 2 years are required.*

O.C. 1263-85, s. 17.

70.4. *The issuer which has availed itself of the present exemption must file with the Commission its audited annual financial statements within 140 days following the end of its financial year.*

O.C. 1263-85, s. 17.

70.5. *In the case of an issuer that has fewer than 15 security holders whose latest addresses as shown in the records of the issuer are in Québec, the Commission may, on application, release the issuer from the requirements prescribed by section 70.4.*

O.C. 1263-85, s. 17.

DIVISION VI

SPECIAL PLANS

Person issuing options and futures contracts

71. *The Commission shall qualify persons as prescribed by section 67 of the Act on the following conditions:*

(1) *the person issuing securities referred to in that section must furnish the following information:*

(a) *its corporate name, the address of its head office, and the method and date of incorporation;*

(b) *a brief description of its activities;*

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

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- (d) *the audited financial statements for the last financial year;*
- (e) *a description of the different types of contracts that it wants to issue or guarantee;*

(2) *the qualification remains valid only inasmuch as the person issuing securities referred to in section 67 of the Act files with the Commission, within 150 days from the end of its financial year, the information required by subparagraphs a to d of paragraph 1;*

(3) *the qualification only covers the types of contracts mentioned in the request.*

O.C. 660-83, s. 71; O.C. 1263-85, s. 18.

71.1. *Before issuing a new type of contract, the qualified person must file with the Commission the information regarding the new contract; it can issue the new contract when the Commission agrees thereto or does not raise any objection within 10 days of receiving the information.*

O.C. 1263-85, s. 18.

72. *In the case of a recognized self-regulatory organization, subparagraphs a to d of paragraph 1 and paragraph 2 of section 70 do not apply.*

O.C. 660-83, s. 72; O.C. 1263-85, s. 18.

73. *(Revoked).*

O.C. 660-83, s. 73; O.C. 1263-85, s. 18; O.C. 697-87, s. 7; O.C. 977-88, s. 4.

DIVISION VII

THE PRELIMINARY PROSPECTUS AND THE DRAFT PROSPECTUS

74. *A preliminary prospectus must contain, on the first page in red ink, the following statement or one considered by the Commission to be equivalent:*

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

O.C. 660-83, s. 74.

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75. *A preliminary prospectus may omit the auditor's report, the approval prescribed by section 53, the number or value of the securities to be distributed, and the information relating to the offering price.*

O.C. 660-83, s. 75; O.C. 1263-85, s. 19.

76. *A person who does not wish to submit a preliminary prospectus may file a draft prospectus before filing a final prospectus.*

The certificates do not have to be signed.

O.C. 660-83, s. 76.

DIVISION VIII FORM OF THE PROSPECTUS

77. *A prospectus must be typewritten or printed.*

O.C. 660-83, s. 77.

78. *The text of a printed prospectus must be set in roman type of a size equivalent at least to that of modern 10-point characters; however, the financial statements, the other information in statistical or tabular form and notes attached thereto may be in roman type of a size equivalent to that of modern 8-point characters.*

O.C. 660-83, s. 78.

79. *The tines in the printed prospectus must have at least a 2-point space between them.*

O.C. 660-83, s. 79.

80. *A prospectus, except a simplified prospectus, must contain a sufficiently detailed table of contents.*

O.C. 660-83, s. 80.

81. *A prospectus is presented in the form of a continuous text.*

However, in the case of a distribution prescribed by section 18, the text may be presented in the form of questions and answers.

O.C. 660-83, s. 81.

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82. *Except for the financial statements and other information of that nature, the text of the prospectus is divided into sections or paragraphs of reasonable length.*

O.C. 660-83, s. 82.

83. *The prospectus may include:*

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

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

O.C. 660-83, s. 83.

DIVISION IX DOCUMENTS TO BE FILED

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

In the case of a simplified prospectus, the consent prescribed by the previous paragraph is not required of an auditor.

O.C. 660-83, s. 84; O.C. 697-87, s. 8.

85. *The Commission may grant an exemption from filing of the consent prescribed in section 84 if it considers that such filing would involve too great a difficulty.*

O.C. 660-83, s. 85.

86. *In the consent prescribed in section 84, the auditor must:*

- (1) indicate the date of his report and that of the financial statements which are dealt with therein;*

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(2) state that he has read the prospectus and that no fact of which he was made aware during his audit led him to believe that this document contains a misrepresentation.

O.C. 660-83, s. 86.

87. In the consent prescribed in section 84, the engineer, geologist or appraiser must:

(1) indicate the date of his report;

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

In the case of a simplified prospectus, the consent is required only when items from the report are presented in the prospectus and not simply included in the prospectus by general reference.

O.C. 660-83, s. 87.

88. Where a person referred to in section 84 is or plans to be interested in the assets or securities of the issuer, of an associate or an affiliate, the prospectus must state that fact, with the necessary details.

O.C. 660-83, s. 88.

89. Where a person referred to in section 84 is or plans to become a director, officer or employee of the issuer, an associate or an affiliate, the prospectus must state that fact.

O.C. 660-83, s. 89.

90. In the case of an amendment made to a prospectus, the Commission may, if it is of the opinion that the change would put in to doubt the validity of the consent prescribed in section 84, require the filing of a new consent.

O.C. 660-83, s. 90.

91. In the case of a mining or petroleum company, a preliminary prospectus or draft prospectus must be filed with the Commission accompanied by a complete report, eventually to be brought up to date, on the lands listed under Item 9 in Schedule I.

O.C. 660-83, s. 91.

92. The report prescribed by section 91 must be drafted by a mining engineer, a geologist or another person recognized by the Commission as content; it is accompanied with a certificate containing the following elements:

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- (1) *the address and profession of the author;*
- (2) *his training and experience;*
- (3) *the date of his inspection of the premises, if the report is based on personal knowledge, or the sources of the information used, if it is not;*
- (4) *where applicable, the consent required in section 84.*

O.C. 660-83, s. 92.

93. *Where the issuer is a legal person, the board of directors must pass a resolution:*

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

Upon request, this resolution must be filed with the Commission.

O.C. 660-83, s. 93.

94. *Within 15 working days following the end of a distribution of securities by means of a prospectus or pursuant to the exemption provided by section 66, a report on the securities distributed in Québec must be filed with the Commission.*

O.C. 660-83, s. 94; O.C. 697-87, s. 9.

95. *The report must indicate the number and value of the securities distributed in Québec by the underwriter or by each member of the selling group or purchase group.*

O.C. 660-83, s. 95; O.C. 1263-85, s. 20.

96. *In the case of issues that are eligible for a Québec Stock Savings Plan, the report must indicate the number of securities distributed in that manner by each dealer.*

O.C. 660-83, s. 96.

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97. *The dealer who has signed the certificate contained at the end of the prospectus or the dealer who made the distribution draws up and files the report. In the case of a distribution made through a group of dealers, the lead underwriter draws up and files the report.*

O.C. 660-83, s. 97.

98. *In the case of a continuous distribution, the report prescribed in section 94 must deal with the preceding financial year and is filed at the end of the twelfth month following the issuance of a receipt for the prospectus.*

O.C. 660-83, s. 98.

DIVISION X ADVERTISING DOCUMENTS

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

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

O.C. 660-83, s. 99; Errata, 1985 G.O. 2, 1121.

100. *The advertising document mentioned in paragraph 2 of section 21 of the Act must contain the following statement or a statement considered by the Commission to be equivalent:*

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

O.C. 660-83, s. 100.

CHAPTER II EXEMPTION FROM PROSPECTUS

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

O.C. 660-83, s. 101.

102. *The notice prescribed by sections 46 and 51 of the Act must contain in the order hereinafter set forth, the following information:*

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

O.C. 660-83, s. 102.

103. *The following provisions must be inserted in the contract mentioned in subparagraph 3 of the first paragraph of section 47 of the Act.*

“The subscriber shall state that:

- (1) he is acting for his account;*
- (2) he is capable of assessing the proposed investment because of his financial experience or of advice received from a registered person other than the promoter;*
- (3) he is familiar with the aims and objectives of the issuer and he has been informed of the nature of his activities;*

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

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

(6) *he has read the offering notice before subscribing in the case of a distribution made in accordance with section 48 of the Act.*

O.C. 660-83, s. 103; O.C. 1263-85, s. 21.

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

At the time of the filing of the offering memorandum, the issuer provides the Commission with a copy in draft form of the subscription contract and the date of the last distribution in which the promoter participated under the exemption provided for in section 47 of the Act.

O.C. 660-83, s. 104; O.C. 1263-85, s. 21; O.C. 970-88, s. 5.

104.1. *The offering memorandum prescribed by section 48.1 of the Act must present the information prescribed by Schedule XVI.*

A copy of the contract confirming the sale must accompany the offering memorandum.

O.C. 1263-85, s. 21.

105. *The notice to be given, under section 47 or 49 of the Act, within 10 days of completing the distribution must contain, in the order hereinafter set forth:*

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

(2) *a summary description of the securities to be distributed;*

(3) *the names and addresses of the subscribers;*

(4) *the date for each transaction;*

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

A copy of the contracts for the distributions, if they are different from the draft contracts filed under section 104, must accompany the notice.

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If the distribution included a minimum sum to be raised, the notice must mention if it was raised; if it was not raised, the notice must set out the measures taken to reimburse the funds.

O.C. 660-83, s. 105; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 22; O.C. 697-87, s. 10.

105.1. *The notice to be given, pursuant to section 47 or 48 of the Act in the case of a transfer to an associate of the transferor, must contain the following information:*

- (1) the name and address of the transferor and of the acquirer;*
- (2) the number and value of the securities transferred;*
- (3) the relation between the transferor and the acquirer;*
- (4) the date contemplated for the transfer.*

O.C. 1263-85, s. 23.

106. *At the time of an exchange of securities related to a merger or a capital reorganization carried out in accordance with section 50 of the Act, the issuer shall file with the Commission, in the order hereinafter set forth the following information:*

- (1) the name and address of each of the legal persons involved in a merger or a capital reorganization, with a brief description of their activities;*
- (2) a description of the securities involved in the exchange;*
- (3) the number and value of the securities;*
- (4) the method of evaluating the securities, and the basis for exchange;*
- (5) the conditions to be met for completion, and the date set for the transaction;*
- (6) the name and address of any remunerated agent;*
- (7) the amount of such remuneration.*

In the case of a merger or capital reorganization that has as an object the elimination of minority shareholders, an independent evaluation of the securities given in exchange must be filed.

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These information are sent to the holders considered by the exchange. If the documents are sent to holders prior to the end of the delay prescribed by section 50 of the Act, they must mention that the transaction is subject to the approval of the Commission.

O.C. 660-83, s. 106; O.C. 1263-85, s. 24; O.C. 697-87, s. 11.

107. *An issuer who makes a distribution under the exemption prescribed in section 52 of the Act shall give, in the order hereinafter set forth, the following information:*

- (1) the date of the proposed distribution and its duration;*
- (2) a description of the security to be distributed;*
- (3) the number and price of the securities contemplated by the distribution;*
- (4) the conditions of the distribution.*

O.C. 660-83, s. 107.

108. *The offering notice established at the time of a distribution mentioned in paragraphs 1 and 3 of section 52 of the Act must contain, in addition to the information prescribed by section 107, the following information:*

- (1) the names and functions of senior executives mentioned in Item 21 of Schedule I;*
- (2) the information known to the senior executives concerning any transfer of securities that brought about a material change in control of the issuer since the last meeting of the holders of voting securities;*
- (3) the details of the remuneration to be paid to any person with regards to the proposed distribution;*
- (4) any other material fact in respect of the issuer and the securities offered, and, in particular, if it is a rights offering:
 - (a) the approximate net proceeds that the issuer will obtain if all the rights are exercised;*
 - (b) the proposed use of the funds obtained;*
 - (c) where it applies, the minimum sum required to satisfy the issuer's needs;**

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(d) if a minimum amount has been set, and if the distribution is a best efforts underwriting, the minimum and the name of the person who will keep on deposit the sums collected until the minimum has been reached;

(e) if the minimum amount is guaranteed by an undertaking to subscribe, the name and address of the guarantor;

(f) the nature of any market out clause or other similar provision and the arrangements designed to ensure that the sums collected are refunded in full in cases where the minimum is not reached.

However, in the case of a security listed on an exchange, the issuance of subscription rights cannot be made with a minimum subscription condition.

In the case of a distribution contemplated by paragraph 3 of section 52 of the Act, a new offering notice must be prepared, within 90 days from the end of the financial year, only when occurs, in relation with the information given at the outset, a material change that is likely to affect the value or the market price of the securities being distributed.

O.C. 660-83, s. 108; O.C. 1263-85, s. 25.

109. The offering notice established at the time of a distribution mentioned in paragraph 5 of section 52 of the Act must contain, in addition to the information prescribed by section 107, the following information:

(1) the designation of the category of employees or senior executives to whom the distribution is addressed;

(2) the maximum number of securities that may be subscribed for or purchased by cash employee or senior executives;

(3) the method of payment for the said securities;

(4) the minimum sum to be collected, if any, and the proposed use of the proceeds of the distribution;

(5) the nature of the changes that have occurred among the senior executives of the issuer since the last annual meeting;

(6) information known to the senior executives concerning any transfer of securities that involved a material change in control of the issuer since the last meeting of the holders of voting securities; -

(7) any other material fact, in respect of the issuer or the securities offered, that is necessary to enable an informed decision to be made.

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However, in the case of a security listed on a stock exchange, the issuance of subscription rights cannot be made with a minimum subscription condition.

A new offering notice must be prepared, within 90 days from the end of the financial year, only when, in relation with the information given at the outset, a material change occurs that is likely to affect the value or the market price of the securities being distributed.

O.C. 660-83, s. 109; O.C. 1263-85, s. 26; O.C. 697-87, s. 12.

110. The issuer is exempted from establishing the offering notice at the time of a distribution mentioned in paragraph 5 of section 52 of the Act, intended solely for its senior executives or those of a legal person connected with the issuer.

O.C. 660-83, s. 110.

111. The following documents must be transmitted with an offering notice to the Commission as to any security holder, employee or senior executives contemplated by the distribution:

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

O.C. 660-83, s. 111; O.C. 1263-85, s. 27.

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

O.C. 660-83, s. 112.

113. In the case of a distribution governed by the exemption prescribed in paragraph 1 of section 52 of the Act, the issuer shall file with the Commission, in addition to the information prescribed by section 107, a copy of the minutes of the last annual meeting.

O.C. 660-83, s. 113.

114. A reporting issuer shall file at the same time as its annual report a report on the number and value of the securities distributed in Québec under the exemption prescribed by section 52 of the Act.

In the case of a distribution eligible for a Québec Stock Savings Plan, the report must give the number of securities distributed for such plans.

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In the case of a non-reporting issuer, the report is filed within 140 days from the end of its financial year-end.

O.C. 660-83, s. 114; O.C. 1263-85, s. 28.

115. *The following information is required for the purposes of applying the second paragraph of section 12 of the Act and must be presented in the order hereinafter set forth.*

- (1) the date planned for of the beginning of the distribution;*
- (2) an estimate of the value of the securities to be distributed;*
- (3) the name of the competent authority entitled to issue a receipt for information documents or to grant an exemption;*
- (4) a copy of the information documents filed with the competent jurisdiction, the text establishing the exemption or the decision granting it;*
- (5) the name and address of the dealer entrusted with the distribution, if known.*

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

In the case of an issuer that meets the conditions prescribed in section 160, 161 or 162, the Commission gives its approval when the information required in this section has been received.

O.C. 660-83, s. 115; O.C. 1263-85, s. 29.

TITLE III DISCLOSURE REQUIREMENTS

CHAPTER I PERIODICAL DISCLOSURE

DIVISION I ANNUAL REPORT AND FINANCIAL STATEMENTS

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

- (1) the income statement;*
- (2) the statement of retained earnings;*

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(3) the statement of changes in financial position, or, if investment constitutes the issuer's principal activity, the statement of changes, in net assets;

(4) the balance sheet.

O.C. 660-83, s. 118.

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

In an initial financial year, the financial statements must deal with the period from incorporation of the reporting issuer to the end, of the first year.

O.C. 660-83, s. 117.

118. The annual financial statements must be approved by the board of directors. The approval of the board of directors is evidenced by the signature of 2 directors authorized for that purpose. The signature may be manual or facsimile.

O.C. 660-83, s. 118.

119. The annual report prescribed in section 77 of the Act must contain, as well as the financial statements and auditors report, the following information:

1. a brief description of the activities of the reporting issuer and its important subsidiaries during the last financial year;

2. management's discussion of results of the reporting issuer and its subsidiaries including explanations of changes from the previous financial year, changes in accounting principles or practices or in the method of applying accounting principles.

O.C. 660-83, s. 119.

120. When the annual report contains a management report, it must state more particularly that:

(1) the financial statements contained in the annual report were prepared by management in accordance with generally accepted accounting principles;

(2) the financial information contained elsewhere in the annual report conforms to the financial statements, should such be the case;

(3) the auditor has the responsibility of auditing the financial statements and giving an opinion on them.

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The Management's report must accompany the financial statements but does not form part of them.

When the board of directors has formed an audit committee, the management report must mention the composition and functions of the committee and its responsibilities relating to the financial statements of the reporting issuer.

O.C. 660-83, s. 120; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 30.

DIVISION II QUARTERLY FINANCIAL STATEMENTS

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

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

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

O.C. 660-83, s. 121.

122. *The statements must be presented in comparison with those of the corresponding period of the preceding year.*

O.C. 660-83, s. 122.

123. *The quarterly statements need not be audited.*

O.C. 660-83, s. 123.

DIVISION III FILING OF DOCUMENTS

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

O.C. 660-83, s. 124.

125. *A reporting issuer must file with the Commission, not later than the day following the sending, 2 copies of any document transmitted to holders of its securities.*

O.C. 660-83, s. 125.

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DIVISION IV SPECIAL PLANS

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

- (1) the net assets at the beginning of the period;*
- (2) the net income or net loss from investments;*
- (3) the aggregate proceeds from sale of securities in the portfolio;*
- (4) the aggregate proceeds from sales of short term debt securities;*
- (5) the aggregate cost of the securities in the portfolio at the beginning of the period;*
- (6) the aggregate cost of acquisitions of securities during the period;*
- (7) the aggregate cost of the short term debt securities;*
- (8) the aggregate cost of the securities in the portfolio at the end of the period;*
- (9) the aggregate cost of the securities sold;*
- (10) the realized profit or loss on the sale of securities;*
- (11) distributions apportioned according to their origin: net income from investments and realized profits on the sale of securities;*
- (12) the proceeds from a distribution of shares or units;*
- (13) the redemption price for shares or units;*
- (14) the net increase or decrease in unrealized appreciation or depreciation of securities in the portfolio;*
- (15) the net assets at the end of the period;*
- (16) the net asset value per share or unit at the beginning and the end of the period;*
- (17) the distributions per share or per unit, apportioned according to their origin: net income from investments and realized profits on the sale of securities.*

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

O.C. 660-83, s. 126.

127. *In subparagraphs 3 and 6 of section 126 short term debt securities held temporarily for reinvestment in other securities should be excluded.*

The gross proceeds from these securities sold and the aggregate cost of these securities bought are presented as notes to the statement prescribed in section 126.

O.C. 660-83, s. 127.

128. *The semi-annual financial statements of an incorporated mutual fund or of an unincorporated mutual fund need not show a comparison with those of the corresponding 6 months of the preceding financial year. The same rule applies to the annual financial statements prescribed in sections 129 to 132.*

O.C. 660-83, s. 128

129. *The annual and semi-annual financial statements of an incorporated mutual fund or of an unincorporated mutual fund, and the annual financial statements of a finance company must contain a statement of investment portfolio containing the following information for each security or class of security:*

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

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

O.C. 660-83, s. 129; O.C. 1263-85, s. 31.

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

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

The information respecting debt securities must be given separately.

O.C. 660-83, s. 130; Errata, 1985 G.O. 2, 1121.

131. In the case of securities that are mortgages, the inventory of securities in the portfolio of an incorporated mutual fund or of an unincorporated mutual fund must give the following information, instead of the information prescribed in section 129:

- (1) the number of mortgages and their aggregate market value;
- (2) the aggregate cost of acquisitions or disposals; according to whether it applies to mortgages insured in accordance with the National Housing Act (R.S.C. 1970. c. N-10), insured conventional mortgages or uninsured conventional mortgages;
- (3) the apportioning of the number, market value and outstanding principal value of mortgages, in groups representing contractual interest rates varying by no more than $\frac{1}{4}\%$.

O.C. 660-83, s. 131; O.C. 1263-85, s. 32.

132. In the case of securities that are mortgages, the statement of portfolio transactions gives for an incorporated mutual fund or an unincorporated mutual fund the following information, instead of the information prescribed in section 130, apportioned according to whether they are mortgages insured in accordance with the National Housing Act (R.S.C., 1970. c. N-10), insured conventional mortgages or uninsured conventional mortgages:

- (1) the number of mortgages acquired or disposed of;
- (2) the aggregate cost of acquisitions or disposals;
- (3) the amounts received in repayment of the capital of the principal value of mortgages.

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O.C. 660-83, s. 132.

133. *The statement of portfolio transactions prescribed by sections 40, 130 and 132 need not be published with the annual or semi-annual financial statements if it has been filed with the Commission at the same time as the financial statements, and if the published financial statements or the prospectus indicate that one can obtain it without cost from the issuer.*

O.C. 660-83, s. 133; O.C. 1263-85, s. 33.

134. *In the case of temporary use of uninvested funds in short term debt securities, it is sufficient to provide the information prescribed in sections 129 and 130 in aggregates for securities issued by:*

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

(2) *a savings company holding a licence under the Act respecting trust companies and savings companies and a loan and savings society registered in accordance with the Loan and Savings Societies Act (chapter S-30);*

(3) *a licensed trust company under the Act respecting Trust Companies and Saving Companies (chapter S-29.01).*

This presentation also applies in the case of short term debt securities classified in one of the 2 highest ratings established by a security evaluation agency recognized by the Commission.

O.C. 660-83, s. 134; L.Q. 1987, c. 95, s. 402.

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

O.C. 660-83, s. 135.

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

(1) *the commissions paid on portfolio transactions;*

(2) *any other remuneration paid to dealers for portfolio transactions, and, if it is an estimate, the method of calculation;*

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(3) *management fees, the method of calculation and the services received;*

(4) *services received in return for salaries paid;*

(5) *in the case where the remuneration of the personnel of a management company is assumed by the incorporated mutual fund or the unincorporated mutual fund, the method of calculation used and the justification for it;*

(6) *the method of calculating income tax and explanations of the tax position of the company or the fund;*

(7) *explanations of any unusual variations in expenses compared to those of the preceding year, in the case where such a variation does not result solely from a change in assets.*

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

O.C. 660-83, s. 136.

137. *The financial statements of a company that has not yet reached the stage of normal operations must contain a statement of the variation of deferred expenses for the period, presenting separately a detailed analysis of exploration, development and administrative expenses.*

O.C. 660-83, s. 137; O.C. 977-88, s. 6.

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

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

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

O.C. 660-83, s. 138.

139. *The statement of changes in net assets must also form part of the quarterly financial statements.*

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O.C. 660-83, s. 139.

140. *An issuer of tax shelter securities within the meaning of section 48 of the Act is required to furnish holders the information that they will need to claim in their tax return the fiscal benefit attached to these securities.*

O.C. 660-83, s. 140; O.C. 1263-85, s. 34.1; O.C. 697-87, s. 13.

CHAPTER II SOLICITATION OF PROXIES

DIVISION I PROXY FORM

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

O.C. 660-83, s. 141.

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

O.C. 660-83, s. 142.

143. *The provisions of section 142 apply only to solicitation by the management of the company.*

O.C. 660-83, s. 143.

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

(1) *state whether or not he intends that his agent vote on the appointment of an auditor or in the election of directors;*

(2) *indicate the way in which the agent must vote on any other question defined on the form, in the notice of meeting or in the circular.*

O.C. 660-83, s. 144.

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

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O.C. 660-83, s. 145.

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

O.C. 660-83, s. 146.

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

O.C. 660-83, s. 147.

148. *A proxy is valid only for the meeting for which it applies, including any continuation if the meeting is adjourned.*

O.C. 660-83, s. 140.

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

O.C. 660-83, s. 149.

DIVISION II THE CIRCULAR

150. *The circular prescribed in section 82 of the Act presents the information prescribed by Schedule VIII.*

O.C. 660-83, s. 150.

151. *The information presented in the circular must be given as at a date less than 30 days before the sending date except information concerning a senior executive's remuneration given in accordance with the requirements of subparagraph 6 of Schedule VIII.*

O.C. 660-83, s. 151.

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

O.C. 660-83, s. 152.

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

O.C. 660-83, s. 140.

154. A person who sends a circular or a proxy form for a meeting must immediately file with the Commission 2 copies of all the documents sent.

O.C. 660-83, s. 154.

155. A circular drawn up on behalf of the management of a reporting issuer must be signed by a senior executive authorized to do so. The signature may be manual or facsimile.

O.C. 660-83, s. 155.

156. The person responsible for filing the documents mentioned in section 154 must inform the Commission that they have been sent to the holders.

O.C. 660-83, s. 156.

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

However, in the case of executive officers' remuneration, the information prescribed may be substituted by a more detailed information, presented in accordance with the requirements of foreign rules recognized by the Commission.

O.C. 660-83, s. 157; O.C. 1263-85, s. 35.

158. The notice of the meeting and the proxy form prescribed by section 81 of the Act as well as the circular prescribed by section 82 of the Act must be sent to securities holders by the management of the reporting issuer at least 21 days before the date of the meeting for which they were prepared. These documents may not however be sent to securities holders more than 50 days before the meeting.

O.C. 660-83, s. 158.

CHAPTER III PERMANENT INFORMATION RECORD

159. The annual information form, prescribed by paragraph 1 of section 85 of the Act, must present the information prescribed by Schedule IX.

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A reporting issuer that meets the conditions prescribed by section 18 of the Act is only required to present the information indicated in Part A inasmuch as it also meets the conditions prescribed by paragraphs 1 and 2 of section 160 or section 161 or 162 of the Regulation; otherwise, it must also present the information required by Part B.

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

When the information presented in the documents prescribed by section 85 of the Act are updated in another document filed with the Commission, the issuer may file this document in its permanent information record.

O.C. 660-83, s. 159; O.C. 1263-85, s. 36.

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

(1) he has satisfied for 3 years the disclosure requirements of Title III of the Act or equivalent obligations imposed by the provisions replaced by Title III;

(2) the total value of the outstanding shares, except preferred shares, held by persons who control less than 10% exceeds a value determined in a policy statement of the Commission.

A reporting issuer who avails himself of these provisions must indicate under the appropriate item of Schedule IX that the information is presented in the annual report or in the circular.

O.C. 660-83, s. 160; O.C. 1263-85, s. 37.

161. However, the reporting issuer which fulfills only the condition prescribed by paragraph 1 of section 160, has the same ability, for the issuance of debt securities or preferred shares not convertible into common shares, only when the securities already issued and those it proposes to issue are rated, by a recognized security evaluation agency, in one of the categories determined by the Commission.

O.C. 660-83, s. 161; O.C. 1263-85, s. 37.1.

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

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(1) the securities to be issued are unconditionally guaranteed, as to principal and interest, by a reporting issuer who fulfills the conditions prescribed in paragraphs 1 and 2 of section 160;

(2) the guarantor has filed with the Commission the annual information form prescribed by Schedule IX;

(3) the debt securities already issued by the guarantor are classified by a recognized security evaluation agency in one of the categories determined by the Commission;

(4) the securities to be issued are provisionally classified by a recognized security evaluation agency in one of the categories determined by the Commission.

O.C. 660-83, s. 162; O.C. 1263-85, s. 38.

163. The Commission may exempt an issuer, on conditions it determines, from the requirements of sections 18 and 84 of the Act, when that issuer satisfies the requirements of section 162.

O.C. 660-83, s. 163.

164. An issuer whose existence is the result of an amalgamation or a reorganization in which a reporting issuer fulfilling the condition prescribed in subparagraph 2 of section 160 participated is considered to have fulfilled that condition.

All the issuers that participate in the amalgamation or the reorganization must have satisfied for one year the disclosure requirements of Title III of the Act unless the merger or amalgamation is with a person from the same group.

O.C. 660-83, s. 164.

165. For the application of subparagraph 2 of section 160, the value of the outstanding shares is established according to the arithmetical average of the closing quotations during the last month of the preceding financial year.

In the case of the issuer referred to in section 164 the value is established according to the arithmetical average of the closing quotations during the 10 days preceding the filing of the document prescribed in section 159.

O.C. 660-83, s. 165.

166. The filing of the annual information form prescribed by Schedule IX by the issuer who fulfills the conditions of paragraphs 1 and 2 of section 160 or of section 161 or 162 is accepted for the first time when the Commission agrees or does not express any opposition during the 10 working days following receipt of the document.

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Subsequently, it is deemed to be accepted unless the Commission informs the issuer that it wishes to review it in accordance with the procedure prescribed by the preceding paragraph.

O.C. 660-83, s. 166; O.C. 1263-85, s. 39; O.C. 697-87, s. 14.

167. In the case of the filing of the annual information form prescribed by Schedule IX by an acceptable issuer other than the issuer mentioned in section 166 or of the annual information form prescribed by Schedule X, the filing is accepted when the Commission agrees or does not object during the 30 working days following receipt of the document.

O.C. 660-83, s. 167; O.C. 1263-85, s. 40.

168. The annual information form drawn up in accordance with Schedule IX or X is signed by the chief executive officer of the issuer, or by the person who holds a similar position, by the chief financial officer and by 2 other persons, selected from among the directors and authorized to sign .

O.C. 660-83, s. 168; O.C. 1263-85, s. 41.

169. The provisions of the third paragraph of section 32 and section 34 apply to section 168.

O.C. 660-83, s. 169.

170. The permanent information record prescribed in section 108 of the Act for an incorporated mutual fund or an unincorporated mutual fund must present:

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

O.C. 660-83, s. 170; O.C. 1263-85, s. 42.

170.1. The annual information form of an incorporated or unincorporated mutual fund must contain the certificates prescribed by Schedule X.

O.C. 1263-85, s. 43.

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CHAPTER IV INSIDER REPORTS

171. *The reports prescribed by sections 96 to 98, 102 and 103 of the Act must be drawn up in accordance with Form 1.*

O.C. 660-83, s. 140; O.C. 697-87, s. 15.

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

O.C. 660-83, s. 172.

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

O.C. 660-83, s. 173.

174. *The insider of a reporting issuer must report, within 10 days of the event, any change in his holding.*

O.C. 660-83, s. 174; O.C. 977-88, s. 7.

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 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 each class of securities of the issuer.*

O.C. 977-88, s. 8.

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.*

O.C. 660-83, s. 175; O.C. 1263-85, s. 44; O.C. 977-88, s. 9.

TITLE IV TAKE-OVER BIDS AND ISSUER BIDS

176. *The circular prescribed by section 128 of the Act must present the information prescribed in Schedule XI.*

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O.C. 660-83, s. 176; O.C. 697-87, s. 16.

177. *The circular of the board of directors of the company referred to must present the information prescribed by Schedule XII.*

O.C. 660-83, s. 177.

178. *The notice of a senior executive of the company concerned must present the information prescribed by Schedule XIII.*

O.C. 660-83, s. 178.

179. *A circular relating to an issuer bid must present the information prescribed by Schedule XIV.*

O.C. 660-83, s. 179.

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

The take-over bid circular and any notice of amendment or of change must be delivered at the principal office of the offeree company on the same day as the notice or the circular is sent to security holders of the offeree company.

O.C. 660-83, s. 180; O.C. 1263-85, s. 45; O.C. 697-87, s. 17.

181. *The take-over or issuer bid circular, the circular of the board of directors, the notice of a senior executive, or any notice of variation or change must contain the following warning:*

“Securities legislation in certain of the provinces and territories of Canada provides security holders of the offeree issuer, in addition to any other rights they may have, with rights of rescission or damages if there is a misrepresentation in a circular or notice that is required to be delivered to such security holders. However such rights must be exercised within the prescribed time limit. Security holders should refer to the applicable provisions of the securities legislation of his province or territory for the particulars of those rights or consult with a legal advisor.”.

When a bid is made only in Québec, the previous warning is replaced by the following:

“The Securities Act (Québec) provides security holders of the offeree issuer, in addition to any other rights they may have, with rights of rescission, price revision or damages if there is a misrepresentation in a circular or notice that is required to be delivered to such security holders. However such rights must be exercised within the

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prescribed time limit. Security holders should refer to the applicable provisions of the Act for the particulars of those rights or consult with a legal advisor.”.

O.C. 660-83, s. 181; O.C. 697-87, s. 18.

182. *The take-over or issuer bid circular, the circular of the board of directors, the notice of a senior executive or any notice of variation or change must contain the following certificate:*

“The present take-over bid circular (or issuer bid circular, circular of the board of directors, notice of a senior executive or any notice of variation or change, as the case may be) does not contain any misrepresentation likely to affect the value or the market price of the securities subject to the bid.”.

Where the bid is made by a legal person or on its behalf, the certificate is signed by the chief executive officer of the offeror, by the chief financial officer and by 2 other persons selected from among the directors and authorized to sign.

Where the legal person has fewer than 4 senior executives, they must all sign.

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

The circular of the board of directors is signed by 2 directors duly authorized to sign on behalf of the board.

The notice of a senior executive is signed by its author.

O.C. 660-83, s. 182; Errata, 1985 G.O. 2, 1121; O.C. 697-87, s. 18.

183. *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. The valuation is however not required when the offeror, who is not an insider of the offeree, intends to proceed to a forced acquisition pursuant to a statutory right.*

The valuation shall be as of a date of not more than 120 days prior to the date of the offer and shall contain appropriate adjustments for material intervening events. However, a valuation at a date more than 120 days prior to the date of the offer may be acceptable if accompanied by a letter of the valuer addressed to the directors of the issuer confirming that he has no reasonable ground to believe that any intervening event has materially affected the value or range of values determined in such valuation or, if there has been such an event, describing it and stating the resultant change on the valuation.

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However, a valuation is not required when the following 3 conditions are met:

(1) the securities being the object of the bid are listed on an exchange recognized by the Commission;

(2) they have been traded on at least 50 % of the trading days during each of the 2 months preceding the bid;

(3) for each of those days where they have been traded, the majority of the securities traded have been traded by persons other than insiders of the offeror, of the offeree or of affiliates and other than persons with whom these insiders are associates.

When an exchange take-over bid is taking place, the Commission may require a valuation of the offeror or of the company whose securities are given in exchange. The valuation is however not required when are met, with regards to the offeror or the company whose securities are given in exchange, the conditions prescribed by the third paragraph.

The valuation report is drawn up by an independent appraiser.

The circular must contain a summary of the valuation. In addition, it must also give an outline of any valuation, independent or not, prepared within 2 years preceding the bid in respect of the offeree issuer, its material assets or its securities.

O.C. 660-83, s. 183; O.C. 1263-85, s. 47; O.C. 697-87, s. 18; O.C. 977-88, s. 10.

184. *The valuation report must be drawn up as at a date not more than 120 days before the date of the bid. The appraiser shall take into consideration, in a supplementary document, the material facts occurring after the date of the report.*

Copies of those documents must be filed with the Commission.

O.C. 660-83, s. 184.

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

O.C. 660-83, s. 185.

186. *The Commission may permit information to be omitted from the valuation report where the dissemination of such information could cause serious prejudice to the issuer, the company concerned or the security holders.*

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O.C. 660-83, s. 186.

186.1. Whenever a take-over or issuer bid circular, a circular of the board of directors, a notice of a senior executive or any notice of variation or change mentions the name of a person, by reason of the standing connected with his profession, in particular a lawyer, a notary, an accountant, an engineer, a geologist or an appraiser who has drafted or certified part of any of these documents or has made an appraisal or valuation or drawn up a report used in preparing of any of these documents, the written consent of that person and the appraisal or valuation or report must be filed with the Commission together with these documents.

O.C. 697-87, s. 19.

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

For the prospectus information, the issuer which meets the conditions prescribed by section 160, 161 or 162 may avail itself of the simplified prospectus system.

However, even for the issuer that avails itself of the simplified prospectus system, the circular must present a pro forma balance sheet and income statement of the offeror to give effect to the exchange of securities. These financial statements are as of the date of the most recent financial statements of the offeror and of the offeree. They must also show the basic and fully diluted earnings per share.

O.C. 660-83, s. 187; O.C. 1263-85, s. 47; O.C. 697-87, s. 20.

188. The report prescribed by section 120 of the Act must present the following information:

- (1) the name of the proposed purchaser;
- (2) the designation of the securities to be purchased;
- (3) the purchases of securities subject to the bid or convertible into such securities made over the last 12 months;
- (4) the number of securities subject to the bid or convertible into such securities he and his joint actors intend to purchase;
- (5) the dates of commencement and of the end of the purchases;
- (6) the terms and conditions contemplated for the purchase;

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(7) the extent of the interest of the purchaser, giving separately the securities subject to the bid and the securities convertible into such securities;

(8) the purpose and business reasons for the purchases.

A purchaser who meets the rules of an exchange recognized by the Commission for the purpose of section 120 of the Act is exempted from the requirements prescribed by the second paragraph of that section.

O.C. 660-83, s. 188; O.C. 1263-85, s. 48; O.C. 697-87, s. 20.

189. The average market price, prescribed by section 123 of the Act, used to establish the margin of variation, is obtained by averaging the closing prices for the 20 days of market activity preceding the date of the transaction, or, if the market only gives the highest and the lowest prices, the average of the daily averages between the highest and lowest prices over the same period.

Where there is an organized market and the securities have been traded fewer than 10 days of the 20 days of market activity preceding the date of the transaction, the average market price is obtained by averaging the following prices determined for each of those 20 days:

1° the closing price or, if the closing price is not published, the average between the highest and the lowest prices, for each day that there has been trading;

2° the average of the bid and ask prices for each day on which there was no trading.

Where there is no organized market, the price arrived at and the method to obtain it require the approval of the Commission.

The price paid for the securities includes brokerage fees and commissions.

Where the exercise of an option to purchase securities would trigger the take-over bid provisions, the margin of variation is comprised of the excess of the cost of the option and the exercise price of the option over the average market price.

O.C. 660-83, s. 189; O.C. 697-87, s. 20; O.C. 977-88, s. 11.

189.1. When a security is traded on more than one market and one such market is within Canada, the prices, for the purposes of section 189, are determined by reference to that market.

However, when a security is traded on more than one market within Canada or only outside Canada, the prices are determined by reference to the market on which the

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greatest volume of trading of that security occurred during the preceding 20 days of market activity.

O.C. 697-87, s. 20.

189.2. *The notice to security holders prescribed by section 130 of the Act must present the following information:*

(1) a detailed description of the change in the initial terms or of the change in the facts on which the take-over or issuer bid circular is based;

(2) where applicable, the new expiry date for withdrawal, the new date up to which securities may be deposited, and the new date by which securities deposited on that new bid expiry date must be taken up and paid for;

(3) the date of the amendment or of the change;

(4) the certificate and the signatures in accordance with the provisions of section 182.

O.C. 697-87, s. 20.

189.3. *The notice of change in the facts on which the circular of the board of directors or the notice of a senior executive is based must present a detailed description of the change, the statement prescribed by section 181 and must include the certificate and the signatures in accordance with the provisions of section 182.*

O.C. 697-87, s. 20.

189.4. *The press release prescribed by section 142 of the Act must present the following information:*

(1) the name of the purchaser;

(2) the designation of the securities purchased;

(3) the date of the transaction;

(4) the number of securities purchased on that day;

(5) the highest price paid for the securities on that day;

(6) the aggregate number of securities purchased through the facilities of the stock exchange since the commencement of the bid and the average price paid;

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(7) *the resultant extent of the interest of the purchaser, showing separately the securities subject to the bid and those convertible into such securities.*

If the purchase has been made by a person other than the offeror, the press release must indicate the relation of the purchaser with the offeror.

O.C. 697-87, s. 20.

189.5. *The press release prescribed by section 147.11 of the Act must present the following information:*

- (1) *the name of the purchaser;*
- (2) *the number and the designation of the securities purchased;*
- (3) *the resultant extent of the interest of the purchaser in each class of the securities of the issuer;*
- (4) *the market where the order was executed;*
- (5) *the name of the transferee when the securities are acquired by way of private agreements;*
- (6) *the purpose and business reasons for the purchases.*

O.C. 697-87, s. 20.

189.6. *The report prescribed by section 147.11 or 147.12 of the Act must present the information prescribed by section 189.5 and be signed by the purchaser.*

This report may be substituted for by the press release mentioned in section 189.5 if it is signed by the purchaser.

Where there is a material change in respect of the information given in the report, a description of the change must be given.

O.C. 697-87, s. 20.

189.7. *The press release prescribed by section 147.15 or 147.16 of the Act must present the following information:*

- (1) *the name of the purchaser;*
- (2) *the designation of the securities purchased;*
- (3) *the increase in the interest of the purchaser;*

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(4) *the resultant extent of the interest of the purchaser giving separately the securities subject to the bid and the securities convertible into such securities;*

(5) *the purpose and business reasons.*

O.C. 697-87, s. 20.

189.8. *The notice prescribed by section 147.21 of the Act must be filed with the Commission at least 5 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.

O.C. 697-87, s. 20; O.C. 977-88, s. 12.

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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.

O.C. 977-88, s. 13.

TITLE V SECURITIES DEALERS AND ADVISERS

CHAPTER I REGISTRATION CATEGORIES

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

O.C. 660-83, s. 190.

191. A person who intends to practise as a dealer must apply for registration for unrestricted practice, unless he intends to limit his activity to forms of investment or types of transactions calling for registration for restricted practice.

O.C. 660-83, s. 191.

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

(1) mutual fund 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 contract dealer, for the person who intends to limit his activity to the distribution of investment contracts;

(3) scholarship plan 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 which intends to limit its activity to the distribution, without a prospectus exemption, of a security issued by it;

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(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 to 7, must always present himself using the specific designation of the category to which he belongs, in particular in printed documents and in advertising. Also, the representative must always present himself as representative of the category of dealer for which he acts, using the specific designation of the category to which he belongs.

O.C. 660-83, s. 192; O.C. 697-87, s. 21; O.C. 977-88, s. 14.

192.1. *A person, who intends to carry out transactions on options on commodities or currencies exclusively for the account of hedgers, is exempted from registration as a dealer if it fulfills the following conditions:*

(1) *he is a member or an associate member of the Montréal Exchange;*

(2) *he is subject to the regulations and the rules of operation of the Montréal Exchange with respect to those options;*

(3) *the person responsible for the trading of those options must meet the professional training required by the Montréal Exchange.*

“Hedger” means: a person who normally carries on a professional activity which exposes him to a price risk and who offsets that risk through transactions on markets where are traded options or commodities suited to protect him against that risk.

O.C. 1263-85, s. 49.

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

O.C. 660-83, s. 193.

194. *A dealer with an unrestricted practice who intends to offer portfolio management services is exempted from registration as a securities adviser if it fulfills the following conditions:*

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

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

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(3) *it respects the rules prescribed in section 190 of the Act and paragraphs 2, 3 and 4 of section 224 and sections 240 and 249 of this Regulation;*

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

O.C. 660-83, s. 194; O.C. 697-87, s. 22.

CHAPTER II REGISTRATION PROCEDURES

195. *An applicant for registration as a securities dealer or adviser must submit his application on Form 2.*

Except in the case of an security issuer, an application for registration must be accompanied by financial statements and an auditor's report.

O.C. 660-83, s. 195; O.C. 697-87, s. 23.

196. *An applicant for registration as a securities dealer or adviser must produce proof of insurance or bonding providing the coverage required in section 213, at the time of his application.*

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

O.C. 660-83, s. 196.

197. *An applicant for registration as representative of a securities dealer or adviser must submit his application on Form 3.*

O.C. 660-83, s. 197.

198. *An applicant for registration as a securities dealer or advisor must include with his application for registration the fees prescribed by Chapter II of Title VI.*

O.C. 660-83, s. 198.

CHAPTER III EFFECTS OF REGISTRATION

199. *Registration is valid until it is cancelled. It requires the annual payment of fees prescribed by Chapter II of Title VI.*

O.C. 660-83, s. 199.

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200. *If the fees prescribed by section 270 are not paid, the Commission may suspend the rights conferred by registration.*

O.C. 660-83, s. 200.

201. *The rights conferred on an security issuer by registration are suspended when the distribution is interrupted or terminated.*

The suspension is lifted when the security issuer resumes the distribution or commences the distribution of another security.

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

O.C. 660-83, s. 201; O.C. 697-87, s. 24.

202. *The rights conferred by the registration on the representative of a securities dealer or adviser are suspended in the following cases.*

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

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

The suspension is lifted when another dealer or adviser informs the Commission that it has engaged him as a representative. However, where the representative of a dealer with a restricted practice moves to a dealer with an unrestricted practice or to a dealer with a restricted practice of another category, the suspension is lifted by a decision of the Commission, once it has verified if the representative has an adequate professional training.

However, the Commission may automatically cancel the registration of the representative when the rights conferred by registration have been suspended for more than 6 months.

O.C. 660-83, s. 140; O.C. 977-88, s. 15.

CHAPTER IV CONDITIONS TO BE MET

203. *A securities dealer or adviser must have a principal establishment in Québec, under the direction of a person who is an officer residing in Québec.*

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

O.C. 660-83, s. 203.

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

O.C. 660-83, s. 204.

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

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

O.C. 660-83, s. 205.

206. A natural person who applies for registration as a securities dealer or adviser must possess the experience and knowledge required of a senior executive.

This rule does not apply to an independent trader.

O.C. 660-83, s. 206; O.C. 1263-85, s. 50.

207. A dealer with an unrestricted practice must have a net free capital at least equal to the sum of:

(1) a proportion of the adjusted liabilities, subject to a minimum of 75 000 \$, calculated as follows:

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

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

(c) 1% of the next 2 500 000 \$;

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

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

(2) the amount deductible under the insurance policy or bonding prescribed by section 213.

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The policy statements of the Commission shall prescribe the method of calculating the net free capital and the adjusted liabilities.

O.C. 660-83, s. 207; O.C. 1263-85, s. 51.

208. *A dealer with a restricted practice or an adviser with an unrestricted practice must possess a working capital at least equal to the sum of 25 000 \$ and the deductible provided by the insurance or the bonding prescribed by section 213.*

O.C. 660-83, s. 208; O.C. 977-88, s. 16.

209. *A financial adviser with a restricted practice must possess a working capital of at least 5 000 \$.*

O.C. 660-83, s. 209.

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

The Commission may also exempt a dealer with a restricted practice from the requirements prescribed by section 208.

O.C. 660-83, s. 210.

211. *A securities dealer or an adviser must inform the Commission immediately when it does not have the net free or working capital required by sections 207 to 209.*

O.C. 660-83, s. 211.

212. *A dealer may, with the authorization of the Commission, borrow funds that will be included in its net free capital, provided that their repayment be subordinated to the repayment of other creditors, in accordance with the formula prescribed by the policy statements of the Commission.*

O.C. 660-83, s. 212.

213. *A dealer in any category or an adviser with an unrestricted practice must subscribe for insurance or bonding giving it a coverage considered adequate by the Commission.*

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

- (1) 1 000 000 \$ for a dealer with an unrestricted practice;

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(2) 100 000 \$, plus 50 000 \$ for each employee, for a dealer selling group savings plans or investment contracts;

(3) 10 000 \$ for the adviser.

O.C. 660-83, s. 213; O.C. 697-87, s. 25.

214. A dealer in any category or an adviser with an unrestricted practice must inform the Commission of any change or any call on the insurance or bonding required according to section 213.

O.C. 660-83, s. 214.

215. A dealer with an unrestricted practice or, in the cases determined by the Commission, a dealer with a restricted practice must participate in a contingency fund approved by the Commission.

However, dealers which are not members of a self-regulatory organization must participate in a separate contingency fund approved by the Commission which determines the amount of their contribution.

O.C. 660-83, s. 215.

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

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

O.C. 660-83, s. 216.

217. A dealer may use free credit balances on the following conditions:

(1) the statement of account sent to the customer must indicate that the funds are being used to finance the dealer's working capital and are payable on demand;

(2) it pays a reasonable interest;

(3) it may keep such funds only temporarily, with a view to investing them in securities.

However, the Commission may, on the conditions it may determine, authorize a departure from the rule prescribed by paragraph 3, in the case of a dealer which offers an account allowing the issuance of cheques and credit card transactions.

O.C. 660-83, s. 217; O.C. 1263-85, s. 52.

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

O.C. 660-83, s. 218.

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.*

O.C. 977-88, s. 17.

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

- (1) *semi-annually in the case of securities referred to in section 216;*
- (2) *monthly in the case of the other securities.*

O.C. 660-83, s. 219.

CHAPTER V ACCOUNTING DOCUMENTS

220. *A dealer or adviser must keep the accounting books and registers necessary to its activities and must retain them for a period of at least 5 years.*

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

- (1) *adequate precautions are taken to minimize the risks of falsification of the data;*
- (2) *it is possible to furnish the information, within a reasonable time and in a precise and comprehensible form, to any person authorized by law to audit it.*

O.C. 660-83, s. 220; O.C. 1263-85, s. 53.

221. *The accounting books and registers that a dealer or adviser must keep in Québec must be kept in the principal establishment that it is required to keep in Québec.*

O.C. 660-83, s. 221; O.C. 1263-85, s. 54.

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222. *The accounting books and registers that a dealer with its head office in Québec must keep include:*

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

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

(3) *the books in which are entered;*

(a) *the securities being transferred;*

(b) *dividends and interest received;*

(c) *securities borrowed or loaned;*

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

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

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

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

(a) *the description of the order;*

(b) *the account to which it refers;*

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

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

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

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- (f) *the price at which the order was executed;*
- (g) *the date;*
- (5) *a register containing the copies of the confirmation slips and the statements sent to customers;*
- (6) *a file for each customer containing:*
 - (a) *the name and address of the account holder and, where applicable, of his guarantor;*
 - (b) *any proxy by which the account holder grants to another person power to place orders for him, with the address of that person;*
 - (c) *in the case of a joint account or an account opened in the name of a company, the name and address of the person authorized to place orders, with the document granting him such power;*
 - (d) *where appropriate, a contract for a margin account, signed by the holder of the account, and, where applicable, by his guarantor;*
- (7) *a register in which are entered the options bought, sold or underwritten by the dealer, with the value and number of the securities to which those options refer;*
- (8) *books and registers showing in detail all the assets and liabilities, proceeds and expenses as well as capital;*
- (9) *a monthly trial balance and a monthly computation of adjusted liabilities and net free or working capital;*
- (10) *a register in which are entered details of the daily commissions of the representatives.*

O.C. 660-83, s. 222.

223. *The books and registers, concerning transactions executed in Québec or for residents of Québec, that a dealer whose head office is not in Québec must keep include:*

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

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

(3) *the registers prescribed by paragraphs 4, 5, 6 and 10 of section 222.*

O.C. 660-83, s. 223.

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

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

(2) *a ledger of accounts managed under a management contract;*

(3) *management contracts made with its customers;*

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

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

O.C. 660-83, s. 224.

**CHAPTER VI
NOTICES TO THE COMMISSION**

225. *A dealer or an adviser must inform the Commission within ten days of:*

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

O.C. 660-83, s. 225; O.C. 1263-85, s. 55.

226. *In addition, a dealer must inform the Commission within 10 days of:*

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

O.C. 660-83, s. 226.

227. *A representative must inform the Commission within 10 days of:*

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

O.C. 660-83, s. 227.

228. *A dealer or adviser must give notice to the Commission of the following changes which are subject to its approval as prescribed by the second paragraph of section 159 of the Act:*

- (1) the appointment of an officer;*
- (2) the appointment of a director;*
- (3) a change affecting the volume or the conditions of the subordinated loans described in section 212;*
- (4) the taking or strengthening of a material position;*

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(5) *the end of office of a senior executive in charge of the principal office in Québec;*

(6) *the carrying on of another function.*

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.

Are deemed to be joint actors of a person, the affiliates and the associates of that person.

O.C. 660-83, s. 228; O.C. 1263-85, s. 56; O.C. 697-87, s. 26.

228.1. *In the case of the appointment as director or as officer of a person who is not yet approved as a senior executive, the notice prescribed by section 228 is given by submitting Form 3.*

In the case of a person already approved as a director who is appointed officer or in the case of a senior executive already approved who is appointed senior executive of a dealer of a different category, Form 3 is substituted by a notice.

Notwithstanding section 228, the other appointments need not be approved by the Commission; only a notice is sent to the Commission within 10 days of the appointment.

O.C. 1263-85, s. 56.

229. *Paragraph 3 of section 228 does not apply to members of a self-regulatory organization recognized by the Commission.*

O.C. 660-83, s. 229; O.C. 697-87, s. 27.

230. *Security issuers are exempted from the application of paragraphs 1 and 2 of section 225, and of sections 226 and 228.*

O.C. 660-83, s. 230; O.C. 697-87, s. 28.

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

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;

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“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.

O.C. 977-88, s. 18.

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 2 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.

O.C. 977-88, s. 18.

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.*

O.C. 977-88, s. 18.

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.*

O.C. 977-88, s. 18.

230.5. *The Commission may designate a person as a related issue 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.

O.C. 977-88, s. 18.

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231. *A dealer in any category or an adviser with an unrestricted practice must entrust to a senior executive who is a resident of Québec responsibility for the opening of accounts.*

However, the Commission may, on the conditions it determines, authorize the person in charge of an establishment to authorize the opening of accounts.

O.C. 660-83, s. 231; O.C. 697-87, s. 29.

232. *When an account is opened, a dealer in any category or an adviser with an unrestricted practice must complete a form containing the information prescribed by the policy statements of the Commission.*

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

O.C. 660-83, s. 232.

233. *Any transaction effected under a management contract must be approved in advance by a senior executive of the dealer or the adviser.*

O.C. 660-83, s. 233; O.C. 1263-85, s. 57.

234. *An adviser may not have securities or cash belonging to his customers in his possession or safekeeping, subject to section 218.*

O.C. 660-83, s. 234; O.C. 1263-85, s. 58.

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

O.C. 977-88, s. 19.

Not in force

Will be in force on October 1, 1988 (O.C. 977-88, s. 19)

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;*

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(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;

(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 legislation of certain jurisdictions in Canada requires 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. In certain provinces or territories, these rules require dealers and advisers to inform their clients of the relevant relationship and connections with the issuer of the securities prior to trading with them. Clients should refer to the applicable provisions of these securities legislations for the particulars of these rules and their rights or consult with a legal adviser.”

O.C. 977-88, s. 19.

234.3. *The dealer or adviser who acts as principal, solicits a client in order to make a transaction 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.*

O.C. 977-88, s. 19.

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.*

However, it is not required to provide a copy of the revised version or of the amendment to a client whose account has been inactive for 2 years. A copy will however have to be provided to him as soon as he makes a transaction.

O.C. 977-88, s. 19.

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235. *In his relations with his customers and in the execution of the mandate received from them, a registered person is required to use the care that one might expect of an informed professional placed in the same circumstances. Particularly, the registered person must see that orders are executed at the best price available on Canadian exchanges, unless he is instructed otherwise.*

O.C. 660-83, s. 235; O.C. 1263-85, s. 59.

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

More particularly, he must refrain from subscribing or buying, on behalf of a client securities he or an affiliate owns, securities he or an affiliate is underwriting or securities issued by a company having as senior executive, a senior executive or a representative of the dealer or adviser, unless he obtains the consent of the client after having informed him of that fact.

For the application of the present rule, the portfolios managed by persons which are affiliates of the registered person are considered as portfolios managed by the registered person.

O.C. 660-83, s. 238; O.C. 1263-85, s. 60.

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.*

O.C. 1263-85, s. 61; O.C. 977-88, s. 20.

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.*

O.C. 1263-85, s. 61; O.C. 697-87, s. 30; O.C. 977-88, s. 20.

236.3. *A dealer or adviser that proposes to enter a networking arrangement shall advise the Commission, at least 30 days before entering the arrangement, and give with the notice all the necessary information to determine:*

(1) *if the proposed arrangement makes use of methods for selling securities, goods or services, that are prejudicial to the public interest;*

(2) *if it is likely to give rise to conflicts of interests;*

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(3) if it is likely to hinder him complying with the conditions of registration applicable to him.

The arrangement may be signed after approval by the Commission or, if the Commission does not raise any objection, after the expiry of the 30 days delay.

O.C. 1263-85, s. 61; O.C. 977-88, s. 20.

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

O.C. 660-83, s. 237.

237.1. A dealer or adviser shall not in any medium of communication 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.

O.C. 977-88, s. 21.

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.

O.C. 977-88, s. 21.

237.3. Sections 234.2, 234.3, 236.1, 236.2, 237.1 and 237.2 do not apply:

(1) to transactions or advices with respect to securities referred to in section 41 of the Act;

(2) to the distribution of the securities of an unincorporated or incorporated mutual fund;

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(3) to a mutual fund dealer, an investment contract dealer, a scholarship plan dealer or to a security issuer.

O.C. 977-88, s. 21.

238. The Commission may determine, in its policy statements, the requirements for coverage, the procedures for settling transactions and other rules concerning customers' accounts.

O.C. 660-83, s. 238.

239. A dealer must send, upon request by a customer, the audited annual statement of its financial position for the preceding year drawn up in the form prescribed by Schedule XV as well as a list of its senior executives or its partners prepared less than 30 days from the date of the request. The Commission may, on the conditions it determines, exempt a dealer from the obligations imposed by this section.

O.C. 660-83, s. 239.

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

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

O.C. 660-83, s. 240.

241. In the case of an adviser or of a representative of a broker or adviser, the statement prescribed by section 166 of the Act must contain the following information:

(1) the number of securities of the investment recommended held by the adviser or the representative;

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

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

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

O.C. 660-83, s. 241; O.C. 697-87, s. 31.

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242. *In the case of a securities dealer, the statement prescribed by section 166 of the Act must contain the following information:*

(1) *its participation , during the last 12 months, in the distribution of the securities recommended in the capacity of firm underwriter;*

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

O.C. 660-83, s. 242.

242.1. *A registered person who, as an ancillary activity, gives advices through the press must declare, for each security recommended, whether or not he holds a position or whether or not he has the intention to make any transactions. He must also declare whether he is an insider or a senior executive of the company whose securities are recommended. This statement must appear at the beginning or at the end of the article in bold letters or in italics of a size equivalent at least to that of the article.*

O.C. 697-87, s. 32.

242.2. *A registered person who, as an ancillary activity, gives advice through a financial letter published by a registered adviser must make the statement prescribed by section 242.1.*

O.C. 697-87, s. 32.

243. *The confirmation slip prescribed by section 162 of the Act contains the following information:*

- (1) *identification of the security;*
- (2) *the number of securities;*
- (3) *the unit price;*
- (4) *the gross amount of the transaction;*
- (5) *the commission and other charges;*
- (6) *the net amount of the transaction;*
- (7) *the date of the transaction;*
- (8) *the settlement date;*
- (9) *the name of the representative;*

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- (10) *the name of the stock exchange on which the order was executed;*
- (11) *the capacity of agent or principal in which the dealer carried out the transaction;*
- (12) *the method of remuneration of the dealer where he acts as principal;*
- (13) *identification of non-voting shares or shares with restricted voting rights.*

O.C. 660-83, s. 243

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

- (1) *the confirmation slip contains an agreement to supply the name of the representative on request;*
- (2) *the dealer maintains an up to date list of codes or symbols used and the representatives so designated, and files a copy of such list with the Commission on request.*

O.C. 660-83, s. 244.

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

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

O.C. 660-83, s. 245.

246. *A dealer who holds a registration with a restricted practice to sell shares of incorporated mutual funds or units of unincorporated mutual funds may fulfill the obligations prescribed by section 162 of the Act by sending to the customer, each time that a transaction is carried out on his behalf, a transaction notice drawn up similarly to the confirmation slip prescribed by section 243, but with the necessary changes, and showing the balance in the account.*

O.C. 660-83, s. 246; O.C. 1263-85, s. 62.

246.1. *In the case of transactions made within the scope of contractual plans, the dealer who holds a registration to sell group investments may satisfy the requirements*

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prescribed by section 162 of the Act by sending to the customer a confirmation slip after the first payment and once every 6 months a statement of accounts giving mutatis mutandis the information prescribed by section 248.

O.C. 1263-85, s. 63.

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

- (1) the designation and number of the securities kept on behalf of the customer;*
- (2) the cash balance;*
- (3) where applicable, the statement prescribed by paragraph 13 of section 243.*

O.C. 660-83, s. 247.

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

- (1) the designation of the security;*
- (2) the number of securities;*
- (3) the unit price;*
- (4) the amount of the transaction;*
- (5) the balance at the end of the month.*

O.C. 660-83, s. 248.

249. *An adviser with an unrestricted practice must send to his customers at least quarterly a statement of the clients portfolio that he is managing for them. The statement must contain, where applicable, the identification prescribed by paragraph 13 of section 243.*

O.C. 660-83, s. 249.

249.1. *The dealer with a restricted practice registration must require the payment in full for a purchase of shares or units of a mutual fund, except in the case of a contractual plan.*

O.C. 1263-85, s. 64.

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CHAPTER VIII

TRANSACTIONS INTENDED TO FIX OR STABILIZE THE MARKET PRICE OF A SECURITY

250. Any transaction intended to fix or stabilize the market price of a security is prohibited except where it is made by the firm underwriter or purchaser during a distribution or a secondary distribution for the sole purpose of facilitating the distribution or the secondary distribution, and in accordance with the following conditions:

(1) the transaction is made 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 made on a security being distributed during a distribution or a secondary distribution made through the facilities of a recognized stock exchange.

O.C. 660-83, s. 250; O.C. 1263-85, s. 65; O.C. 977-88, s. 22.

251. The requirements of section 250 are without application in the case of transactions made on the floor of a stock exchange recognized by the Commission and in accordance with the operating rules of that exchange by a specialist acting within the scope of his function.

O.C. 660-83, s. 251; O.C. 1263-85, s. 65; O.C. 977-88, s. 23.

252. A dealer who intends to effect transactions intended to fix or stabilize the market price of a security must make the following declaration in the prospectus:

“The firm underwriters may over allot or effect transactions intended to fix or stabilize the market price of the security at a higher level than the market price that would exist on a free market. These transactions may be begun or interrupted at any time during the distribution.”

In the case of a secondary distribution, the declaration must be made in the information circular, mutatis mutandis.

O.C. 660-83, s. 252; O.C. 1263-85, s. 65.

252.1. Any transaction intended to fix or stabilize the market price of the securities proposed in exchange is prohibited during a take-over bid by way of exchange.

O.C. 1263-85, s. 65.

**TITLE VI
ADMINISTRATION OF THE ACT**

**CHAPTER 1
CODE OF ETHICS**

**DIVISION I
GENERAL RULES**

253. *The following rules apply to members of the Commission and to members of its personnel. They are forbidden to:*

- (1) accept remuneration or gratuities, except a gift of modest value, for acting as speaker or as member of a panel, or for drafting a document where it is directly related to their duties;*
- (2) perform any other paid function;*
- (3) be senior executives of a company that has made a public offering in Québec or a company registered under the Act;*
- (4) be shareholders of a company registered in accordance with Title V of the Act, unless the Commission decides otherwise;*
- (5) execute transactions on futures contracts;*
- (6) sell securities short;*
- (7) buy securities on margin;*
- (8) execute transactions on securities that are being investigated by the Commission;*
- (9) except in the case of securities eligible for a stock savings plan or a tax abatement programme, or of units of an incorporated mutual fund or an unincorporated mutual fund, buy or subscribe for securities that are distributed within 60 days following receipt of a final prospectus;*
- (10) buy, subscribe or sell securities in respect of which a document has been filed and is being studied by the Commission or in respect of which an application has been made for a decision prescribed by the Act;*
- (11) buy, subscribe for or sell securities in respect of which a take-over bid has been made, from the time when that fact is known to the Commission to the time when it is made public by the offeror;*

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

O.C. 660-83, s. 253; Errata, 1985 G.O. 2, 1121.

254. A member of the Commission or a member of its personnel who wishes to execute a transaction on a security has an obligation to make sure that he does not contravene paragraphs 8 to 12 of section 253.

O.C. 660-83, s. 254.

255. A security bought or subscribed by a member of the Commission or by a member of its personnel must be kept by the acquiror for a minimum of 6 months from the date of the transaction, except for a security obtained under a dividend reinvestment plan or received in a stock dividend distribution or in the case of the exercise of a warrant or the sale of a warrant acquired with the subscription of another security.

O.C. 660-83, s. 255; O.C. 697-87, s. 33.

256. Within 5 days following the receipt of the confirmation slip, a declaration must be sent to the president of the Commission.

O.C. 660-83, s. 256; O.C. 697-87, s. 33.

256.1. The prohibitions applicable to the members of the Commission are also applicable to transactions they may make through or in the name of associates.

O.C. 697-87, s. 33.

257. The declaration must contain the following information:

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

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

O.C. 660-83, s. 257.

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258. *At the time when he assumes his duties, a member of the Commission or a member of its personnel must give the president a statement of his portfolio.*

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

O.C. 660-83, s. 258.

259. *A member of the Commission or a member of its personnel must give to the President, at the end of each calendar year, a statement of his portfolio.*

O.C. 660-83, s. 259.

260. *The reports prescribed by sections 258 and 259 are confidential, unless the Commission decides otherwise.*

O.C. 660-83, s. 260; Errata, 1985 G.O. 2, 1121.

DIVISION II RULES APPLYING TO MEMBERS OF THE COMMISSION

261. *A member of the Commission is also forbidden to:*

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

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

O.C. 660-83, s. 261.

DIVISION III PENALTIES

262. *The only penalties for a breach of a rule by a member of the Commission are a reprimand or a suspension.*

A suspension imposed under this Regulation may not exceed 2 months.

O.C. 660-83, s. 262.

263. *The only penalties for a breach of a rule by a member of the personnel of the Commission are a reprimand, suspension or dismissal.*

O.C. 660-83, s. 263.

**DIVISION IV
EXEMPTIONS**

264. Paragraph 2 of section 253 does not apply to a member of the Commission who carries out his duties part time.

O.C. 660-83, s. 264.

265. The Commission may authorize a derogation from the rule referred to in paragraph 2 of section 253.

O.C. 660-83, s. 265.

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

O.C. 660-83, s. 265.

**CHAPTER II
FEES**

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 section 11, 12, 20 or 24.1 of the Act, 500 \$ per issuer or per holder;

(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 gross 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 gross 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 gross value of the issue;

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

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(3) at the time of filing the offering memorandum prescribed by section 47, 48.1 or 53 of the Act or by the Regulation, or the information prescribed by section 50 of the Act, 250 \$;

(4) at the time of filing the notice prescribed by section 114, concerning a distribution pursuant to the section 49 of the Act or the report, prescribed by exemptions prescribed by section 52 of the Act, 0,03 % of the gross value of the securities distributed in Québec less the fee prescribed by paragraph 3;

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

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

(7) at the time of filing a geological report, 50 \$;

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

However, no fee is required to be paid in application of paragraph 4 in the case of the distribution of exchange, conversion or subscription rights prescribed by paragraph 1 of section 52 of the Act.

If the funds to be raised in the course of a distribution allow for a minimum and a maximum, the lump sum payment must be calculated on the maximum.

O.C. 660-83, s. 267; O.C. 1263-85, s. 66; O.C. 977-88, a. 24.

267.1. The fees for a distribution of securities made by means of a prospectus are set at the excess over 500 \$ of 0,03 % of the gross value of the securities distributed in Québec. 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 6 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 taking into account any over-allotment, 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 6 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 6 of section 267.

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O.C. 977-88, a. 24.

267.2. As a departure from the requirements of paragraph 2 of section 267, the person who intends to proceed to a continuous distribution makes a lump sum payment of 200 \$ at the time of filing a prospectus in its final form and the definitive calculation of the fees relative to the distribution made in Québec and the payment of the balance or the request for reimbursement of the excess are made at the time of filing of the report prescribed by section 98. However, in the case of a money market fund the calculation of the fees is made pursuant to the net distribution, that is the purchases less the redemptions.

O.C. 977-88, a. 24.

267.3. The fees payable under subparagraphs 1 and 2 of section 267 with respect to the issuing by a savings and credit union of permanent shares referred to in section 73 of the Savings and Credit Unions Act (1988, c. 64) shall be determined on the following basis:

(1) placements of permanent shares are deemed to constitute a single placement if carried out simultaneously by savings and credit unions affiliated with a federation belonging to a confederation;

(2) the confederation is deemed to be the person intending to carry out the placement of the aggregate value of the shares placed simultaneously by those savings and credit unions.

O.C. 1493-89, s. 1.

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 \$;

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(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 \$.

O.C. 660-83, s. 268; O.C. 1263-85, s. 67; O.C. 977-88, s. 24.

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 \$.

O.C. 660-83, s. 269; O.C. 1263-85, s. 68; O.C. 977-88, s. 24.

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, 0,14 % of the capital employed in the province, calculated in accordance with the following formula:

$$\text{total capital} \times \frac{\frac{\text{salaries and wages paid in the province}}{\text{total salaries}} + \frac{\text{revenue earned in the province}}{\text{Total revenue earned}}}{2}$$

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, 300 \$;

(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, by a dealer with an unrestricted practice, the annual financial statements prescribed by section 158 of the Act, 250 \$ for each representative who was registered during the last financial year;

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(7) at the time of filing, by an adviser or a dealer with a restricted practice, the financial statements prescribed by section 158 of the Act, 300 \$ 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 300 \$ for each representative registered at the time of filing its annual financial statements;

(8) at the time of filing a notice prescribed by paragraphs 4 and 6 of section 228 relating to a change in the disclosure made at the time of registration, 150 \$;

(9) 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 6 are 250 \$ 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.

O.C. 660-83, s. 270; O.C. 1263-85, s. 69; O.C. 977-88, s. 24.

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, the Regulation or a policy statement, 300 \$;

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

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

O.C. 660-83, s. 271; O.C. 1263-85, s. 70; O.C. 977-88, s. 24.

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

CHAPTER I RIGHT OF CANCELLATION

272. *Any person who subscribes to a securities savings plan may unilaterally cancel his subscription: it is sufficient to send the dealer a notice to that effect in the 60 days following receipt of the transaction notice prescribed by section 246 relating to the first payment.*

However, an unincorporated mutual fund or an incorporated mutual fund is not required to grant the right of cancellation prescribed by this section in the case of securities saving plans where the proportion of sales charges included in any payment does not exceed the charges to be paid for subscriptions made outside the saving plans.

O.C. 660-83, s. 272; O.C. 1263-85, s. 71.

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

O.C. 660-83, s. 273.

274. *However, in the case of unincorporated mutual funds and incorporated mutual funds, the sum that may be recovered does not exceed the net asset value of the shares or units subscribed for at the time the right to cancellation is exercised.*

In addition, the dealer must refund to the subscriber the commissions and subscription fees he has paid.

O.C. 660-83, s. 274.

275. *The recipient is deemed to have received the notice of a transaction or the notice of cancellation sent by mail with in the normal period of delivery.*

O.C. 660-83, s. 275.

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276. *A subscriber may also terminate his savings plan at any time after the time limit prescribed by section 272. The amounts that may then be recovered shall be determined by the Commission.*

O.C. 660-83, s. 276.

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

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

O.C. 660-83, s. 277.

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

O.C. 660-83, s. 278.

279. *Unless the Commission decides otherwise the depository of the assets of an incorporated mutual fund or an unincorporated mutual fund must be a bank governed by the Bank Act (S.C. 1980-81-82, c. 40), a licensed trust company in accordance with the Act respecting Trust Companies and Saving Companies (chapter S-29.01) or a subsidiary of those persons.*

O.C. 660-83, s. 279; L.Q. 1987, c. 95, s. 402.

280. *Trustees of the management company of an unincorporated mutual fund or of an incorporated mutual fund must obtain, at a meeting, the approval of the holders where there is:*

- (1) a material change in the management contract;*
- (2) a change of the manager, except to an affiliate;*
- (3) a change in the fundamental investment objectives;*
- (4) a change of auditors;*
- (5) a decrease in the frequency of calculating net asset value.*

O.C. 660-83, s. 280; O.C. 977-88, s. 25.

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

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

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

O.C. 660-83, s. 281.

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

(1) *the total amount borrowed does not exceed 5 % of the net assets;*

(2) *it is intended to deal temporarily with the redemption of units or shares.*

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

O.C. 660-83, s. 282.

283. *An incorporated mutual fund or an unincorporated mutual fund may not:*

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

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

However, these restrictions do not apply to securities issued or guaranteed as to principal and interest by the Government of Québec, of Canada, of a province of Canada or by one of their agency or by the Government of the United States of America.

O.C. 660-83, s. 283; O.C. 977-88, s. 26.

284. *The net assets, calculated at market value, of an incorporated mutual fund or an unincorporated mutual fund must at any time be composed to at least 90 % of readily marketable securities or of cash.*

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

O.C. 660-83, s. 284; Errata, 1985 G.O. 2, 1121.

285. *For the application of section 284, readily marketable securities may be replaced by assets whose resale is not subject to any restrictions and that may easily be resold at a price equal to the estimated value determined in the calculation of the net asset value.*

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

O.C. 660-83, s. 285; Errata, 1985 G.O. 2, 1121.

286. *In the case of an incorporated mutual fund or an unincorporated mutual fund that invests more than 50 % of its assets in mortgages, the Commission determines the liquidity requirements to be applied instead of those prescribed by sections 284 and 285.*

O.C. 660-83, s. 286.

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

O.C. 660-83, s. 287.

288. *By derogation from section 240, the adviser of an incorporated mutual fund or an unincorporated mutual fund may not calculate his remuneration in terms of the return on the portfolio of the fund or the company unless the Commission so authorizes, on the conditions set by it.*

O.C. 660-83, s. 288.

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

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However, the fund or company may, if it so states in the prospectus, not apply the price resulting from the first evaluation, to requests for redemption received after a certain hour or certain day preceding this evaluation.

O.C. 660-83, s. 289; Errata, 1985 G.O. 2, 1121.

290. *An incorporated mutual fund or an unincorporated mutual fund may refuse the subscription for units or shares in so far as such right is mentioned in the prospectus. As the case may be, this condition is also mentioned in the subscription form.*

In such case, the fund or the company must convey its decision to the subscriber within 2 days following receipt of the subscription and must immediately return the sum subscribed.

O.C. 660-83, s. 290; O.C. 1263-85, s. 72.

TITLE VIII RULES FOR THE OYER-THE-COUNTER MARKET

291. *A portfolio transaction by an unincorporated mutual fund or an incorporated mutual fund must be reflected in the computation of the net asset value per share not later than the first valuation made after the date of the transaction.*

O.C. 660-83, s. 291; O.C. 1263-85, s. 73.

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.*

O.C. 660-83, s. 292; O.C. 1263-85, s. 73; O.C. 977-88, s. 27.

293. *Where a transaction, known at the time of the computation of the net asset value per share, would change the resultant value by a cent or more, an adjustment must be made in the net asset value per share.*

O.C. 660-83, s. 293; O.C. 1263-85, s. 73.

294. *(paragraph revoked).*

O.C. 660-83, s. 294; O.C. 1263-85, s. 73.

295. *(paragraph revoked).*

O.C. 660-83, s. 295; O.C. 1263-85, s. 73.

**TITLE VIII
ADDITIONAL EXEMPTION**

O.C. 660-83, Title IX; O.C. 697-87, s. 34.

296. *A limited partnership or an unincorporated issuer other than an unincorporated mutual fund is exempted from the obligations prescribed by sections 76 and 78 of the Act for the first and third quarters inasmuch as its securities are not traded on an organized market.*

In the present section the term “organized market” means a market where are traded securities whose quotations are published regularly in the press.

O.C. 660-83, s. 296; O.C. 1263-85, s. 74.

297. *This Regulation come into force on the day of their publication in the Gazette officielle du Québec.*

O.C. 660-83, s. 297; Errata, 1985 G.O. 2, 1121.

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SCHEDULE I PROSPECTUS

Item 1: Distribution spread

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

DISTRIBUTION SPREAD

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

Instruction

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

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

3. If it is impracticable to state the offering price, the method by which it is to be determined must be explained. If the securities are to be offered at the market, indicate the market involved and the market price as of the latest practicable date.

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

For a natural resource company, state that the securities holder will not offer its securities until distribution of the issuer's securities is completed.

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

Item 2: Plan of distribution

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

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

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

Instructions

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

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

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

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

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

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

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

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Item 3: Market for securities

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

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

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

Item 4: Summary of prospectus

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

Instructions

1. This summary should highlight in condensed form the information, both favourable and adverse, including risk factors in Item 10, about both the issuer and the securities.
2. Appropriate cross references may be made to items in the prospectus where information is difficult to summarize accurately, but this shall not detract from the necessity to have the salient points summarized in the summary.

Item 5: Use of net proceeds from distribution

1. 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.
3. Where the issuer is 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.

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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 material 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 2 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 2 preceding years.

Item 6:

Sales otherwise than for cash

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

Instructions

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

Item 7:

Capital structure

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

- (1) particulars of the share and loan capital of the issuer;
- (2) particulars of the loan capital of each subsidiary of the issuer (other than loan capital owned by the issuer or its wholly-owned subsidiaries) whose financial statements are contained in the prospectus on either a consolidated or individual basis;
- (3) the aggregate amount of the minority interest in the preference shares, if any, and the aggregate amount of the minority interest in the common shares and surplus of all subsidiaries whose financial statements are contained in the prospectus on a consolidated basis;
- (4) the information required under paragraph 3 for subsidiaries whose financial statements are contained in the prospectus on an individual basis;
- (5) for a finance company, any potential dilution of the assets per share and earnings per share, giving effect to the current issue and to all existing options, warrants and conversion rights in relation to any capital security of the credit company. .

CAPITAL STRUCTURE

Designation of security	Amount authorized or to be authorized	Amount outstanding as of the date of the most recent balance sheet	Amount outstanding as of a specific date within 60 days	Amount to be outstanding if all securities being issued are sold
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Instructions

1. Include all indebtedness for borrowed money for which a written understanding exists that the indebtedness may extend beyond one year. Do not include other indebtedness classified as current liabilities unless secured.
2. Individual items of indebtedness which are not in excess of 3 % of total assets as shown in the balance sheet referred to in Column 3 may be set out in a single aggregate amount under an appropriate caption such as "Sundry Indebtedness".
3. Include in the table the amount of obligations under financial leases capitalized in accordance with generally accepted accounting principles. Set out in a note to the table a cross reference to any note in the financial statements containing information concerning the extent of obligations arising by virtue of other leases on real property.

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

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

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

7. Set out in a note to the table:

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

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

8. The 60-day period referred to in Column 4 is to be calculated within 60 days of the date of the preliminary prospectus or the date of the draft prospectus. Where more than 60 days have elapsed from the date of the preliminary or draft prospectus, the information included in the prospectus shall, if feasible, be updated to a date within 60 days of the final prospectus.

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

10. For a finance company, where the amount outstanding as of a specific date within the 60-day period prescribed in paragraph 8 cannot be precisely calculated, an estimated figure should be used, with a note indicating the basis of calculation.

Item 8:

Name and incorporation of issuer

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

Item 9:

Operations of the issuer

(A) Manufacturing and service industries

Briefly describe the business carried on and intended to be carried on by the issuer and its subsidiaries and the general development of the business over the

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last 5 years. If the business consists of the production or distribution of products or the rendering of services, indicate the principal products or services.

Instructions

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

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

- (1) bankruptcy, sequestration or similar proceedings;
- (2) material reorganization;
- (3) the acquisition or disposition of any material assets otherwise than in the ordinary course of business;
- (4) any material changes in the types of products produced or services rendered;
- (5) any material change in the mode of conducting the business.

(B) Finance companies

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

Separate operations in which a material proportion of assets are invested or from which a material proportion of gross revenues are derived	Percentage of consolidated assets of the issuer and its subsidiaries, at book value, devoted to that operation as of the date of last balance sheet	Percentage of the consolidated gross revenues of the issuer and its subsidiaries derived from that operation as of the date of the last balance sheet
1. Finance company services		
2. Other services		
3. Distribution		
4. Production		
5. Real Estate development		
6. Investment in securities of companies other than subsidiaries		
7. Other		

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

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

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

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

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

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

- (a) the issuance of securities other than the securities offered;
- (b) the borrowing of money;
- (c) the firm underwriting of securities;
- (d) the concentration of investments in a particular class or kind of industry;
- (e) the purchase and sale of immoveables;
- (f) the purchase and sale of commodities or commodity future contracts;
- (g) the making of loans, whether secured or unsecured, (other than the subscription or acquisition of debt securities for investment);
- (h) any other material element of the issuer's policy;

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

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

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

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

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

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

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

Instructions

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

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

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

(1) bankruptcy, sequestration or similar proceedings;

(2) material reorganization;

(3) material changes in the mode of conducting the business.

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

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

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

7. *Instruction 1 of Item 34 applies to this item with due alteration for points of detail.*

(C) Natural resource companies

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

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

(1) the location of size of and means of access to the property;

(2) a brief description of the title, claim or lease under which the issuer or subsidiary has the right to hold or operate the property, indicating any conditions which the issuer or subsidiary must meet in order to obtain or retain the property;

(3) (a) the names and addresses of all vendors of property purchased within the 3 years immediately preceding the date of the preliminary prospectus or the date of the draft prospectus and the property acquired from each and if any such vendor is insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so indicate; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(b) the number of wells completed as producing wells and as dry holes for the current financial year at a date not more than 4 months prior to the date of the preliminary prospectus or draft prospectus;

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

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

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

Instructions

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

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

(1) bankruptcy, sequestration or similar proceedings;

(2) material reorganization;

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

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

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

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

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4. The information required by subparagraph 6 of paragraph 2 and subparagraph 5 of paragraph 3 may be given in reliance upon the report relating to such property required to be filed with the Commission pursuant to section 91 of the Regulation.

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

Item 10: Risk factors

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

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 10.1 Dilution

Set out on the first page, if any, the dilution of the securities offered, based on net tangible assets including the distribution. This information may be given in the body of the prospectus if an appropriate reference is made on the first page. The information must be presented in accordance with the following table.

Dilution per share

Offering price			\$
Net tangible book value before distribution	_____	\$	
Increase of net tangible book value attributable to the distribution	_____	\$	
Net tangible book value after the distribution	_____		\$
Dilution to subscriber	_____		\$
Percentage of dilution in relation to the offering price	_____		%

Instructions

1. The issuer may omit the information prescribed by this item where it considers such information to be of no value.

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2. In the calculation of the net tangible book value after the offering, the remuneration of the underwriter and the cost of distribution are to be deducted.

Item 11:

Acquisitions and dispositions

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

Item 12:

Description of immoveables

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

Instructions

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

Item 13:

Variations in operating results

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

Item 14:

Asset and earnings coverage

Disclose asset and earnings coverage where required by section 49 of the Regulation.

Item 15:

Promoters

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

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

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

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

Item 16: Legal proceedings

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

Instruction

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

Item 17: Shares

1. *Describe the shares being offered, including the following information:*
 - (1) *dividend rights;*
 - (2) *voting rights;*
 - (3) *liquidation or distribution rights;*
 - (4) *pre-emptive rights;*
 - (5) *conversion rights;*
 - (6) *redemption, purchase for cancellation or surrender provisions;*
 - (7) *sinking or purchase funds provisions;*
 - (8) *liability to further calls or to assessment by the issuer; and*
 - (9) *provisions as to modification of any such rights or provisions.*

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

3. *In the case of restricted shares, comply with the policy statements of the Commission.*

Instructions

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

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

3. *The text of the clauses applying to the shares may be given in a schedule to the prospectus.*

4. *The issuer does not need to state that the securities offered may not be deposited in response to a take-over bid where its incorporating instruments contain provisions respecting the convertibility of its non-voting or limited voting shares at the time of a take-over bid.*

Item 18: Obligations

Describe the obligations offered and the security therefor providing the following information:

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

(2) *the nature and rank of any security, briefly identifying the principal properties charged;*

(3) *provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants including*

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restrictions respecting dividend distribution or the giving of security on the assets of the issuer or its subsidiaries, and provisions as to the release or substitution of assets given as security or the modification of the terms of such security.

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

(5) any agreement between the issuer and its affiliates or between its affiliates that could affect the security for the indebtedness.

Instructions

Follow the instructions in Item 17, mutatis mutandis.

Item 19: Other Securities

In the case of securities other than shares or obligations, indicate briefly the rights attached thereto. In the case of warrants or rights provide the description and the value of the securities referred to, the period during which, they may be exercised, the price and the principal modes of exercise.

Instructions

Follow the instructions in Item 17, mutatis mutandis.

Item 20: Dividends

State for each class of shares the amount of dividend per share or other distribution, if any, paid by the issuer during its last 5 financial years preceding the date of the preliminary prospectus or draft prospectus.

Item 21: 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.

If, during the last 5 years, a senior executive, a promoter or a person holding more than 20% of the securities of the issuer has been found guilty of an offence related to securities or has been the subject of administrative proceedings by a securities

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commission or similar authority, describe briefly the nature of the offence or proceedings.

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

In the case of a mining exploration and development company, state the approximate amount of time that each senior executive and promoter intends to devote to the issuer's business and the nature of the work to be done. Give for each of the persons mentioned, the following information:

- 1. relevant professional training and experience;*
- 2. principal profession during the past 10 years, along with the name and address of the offices and the activities of any kind of business occupying more than 10 % of his time;*
- 3. relationships, during the past 10 years, with mining exploration and development companies distributing securities to the public, other than in the normal course of business, giving*
 - (a) the name of the company;*
 - (b) present status of the company, particularly if the charter has been withdrawn, if the company is inactive, if trading in the securities is prohibited or not and if the securities are listed on a stock exchange;*
 - (c) the nature of the relationship, in particular that of underwriter, distributor, senior executive, employee, advisor giving the precise periods of time involved.*

In the case of a promoter, give details as to his activities, for example, the funds collected, the person responsible for the collection, the time and method of collection, the portion of these funds allocated directly to exploration and development.

Instructions

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

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Item 22: Executive Remuneration

1. Scope of application

The information to be provided relates to the company's executive officers: chairman and vice-chairmen of the Board if they perform their functions on a full time basis, president, vice-presidents in charge of principal business units, divisions or functions (sales, finance, etc.) and any other officer of the issuer or of a subsidiary who performs a policy-making function in respect of the issuer.

Remuneration of directors, who are not also executive officers, is taken into account only as provided in paragraph 6.

2. Cash remuneration

(1) State the aggregate cash remuneration paid to executive officers by the issuer and its subsidiaries for services rendered during the last financial year.

Cash remuneration includes in particular salaries, director's fees, commissions and bonuses. This information may be broken down into those categories.

The information may be presented in accordance with the following table:

CASH REMUNERATION TABLE

Number	Amount
Executive officers _____	Cash Remuneration _____ \$

(2) In addition to amounts actually paid during and for the last financial year, cash remuneration includes:

(a) bonuses to be paid for services rendered during the last financial year unless such amounts have not yet been allocated;

(b) bonuses paid during the last financial year, for services rendered in a previous financial year, less any amount already disclosed;

(c) any remuneration earned during the last financial year the cash payment of which is deferred.

(3) Remuneration, for a period during which a person included in the group was not then an executive officer, shall not be included.

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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.

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(3) *With respect to options exercised during the last financial year, provide, in addition to the information prescribed by subparagraphs a to c 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.*

4. Other remuneration

Describe any other remuneration not covered in the cash or plans remuneration sections, and in particular, personal benefits, securities or property paid or distributed other than pursuant to a plan, inasmuch as it is not offered, on the same terms, to all full time employees other than those covered by collective agreements.

The value to be given for such remuneration 4 shall be the issuer's and subsidiaries' aggregate incremental cost.

However, when the aggregate value of other remuneration does not exceed the lesser of 10 000 \$ times the number of persons in the group or 10% of the cash remuneration reported pursuant to section 2, it is necessary to declare that fact only.

In the case of an issuer meeting the requirements of section 160 of the Regulation, the 10 000 \$ threshold is raised to 25 000 \$.

5. Termination of employment or change of control

Describe any plan or arrangement in respect of compensation received or that may be received by executive officers in the last financial year in view of compensating such officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of an executive officer the value of such compensation exceeds 60 000 \$.

6. Remuneration of directors

(1) *Describe any standard arrangement, stating amounts, pursuant to which directors are remunerated for their services in their capacity as director, including any additional amounts payable for committee participation or special assignments.*

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(2) Describe any other arrangements, stating amounts, in addition or in lieu of any standard arrangement, pursuant to which directors were remunerated during the last financial year.

Where compensation is in non-cash form, state the value of the benefit conferred, or if it is not possible to state the value, describe the benefit conferred.

7. Special provisions concerning unincorporated issuers

Unincorporated issuers must report:

(a) the aggregate amount of fees paid to individuals acting as directors or trustees in respect of each of the financial years reported upon;

(b) the aggregate amount of expenses reimbursed to directors or trustees in respect of the fulfillment of their duties as directors or trustees.

Where compensation is in non-cash form, state the value of the benefit conferred, or if it is not possible to state the value, describe the benefit conferred.

The information required by this section may be disclosed in the annual financial statements.

Item 23:

Indebtedness of senior executives

Disclose any information regarding the indebtedness of each senior executive of the company, each nominee for the position of director or to a person associated with such senior executive or nominee, to the extent that it is not routine indebtedness.

Instructions

1. State the name and address of each person who received such a loan. Solely the place of residence or postal address may be given.

2. State the largest aggregate amount of indebtedness outstanding towards the issuer and its subsidiaries by each of such persons at any time during the last financial year, the nature of the indebtedness and the transaction in which it was incurred, the balance presently outstanding, and the rate of interest.

3. "Routine indebtedness" means:

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

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

(3) a loan made to a senior executive who is not employed on a full-time basis by the issuer or to a person associated with him provided the making of the loan is part of the ordinary business of the issuer, that the loan is granted on the same terms as to customers, that it does not involve an unusual risk of collectibility, and does not exceed the greater of 200 000 \$ or 5 % of the shareholders' equity for the aggregate of loans made;

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

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

Item 24: Options, rights and warrants

Furnish information as to options, rights and warrants, other than those issued to all security holders of the same class residing in Canada on an equal basis, issued or proposed to be issued by the issuer or its subsidiaries to each of the following groups of persons:

- (1) senior executives of the issuer except those who act only as directors;
- (2) members of the board of directors of the issuer except those mentioned in paragraph (1);
- (3) senior executives of any subsidiary of the issuer;
- (4) employees of the issuer, except those referred to in subparagraph 1;
- (5) employees of any subsidiary of the issuer; and
- (6) any other persons.

Instructions

1. Give the number of persons for the groups referred to in subparagraphs 1 to 5. In the case of the group referred to in subparagraph 6, give the name of each person.

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2. The information requested must be given within 30 days before the date of the preliminary prospectus or draft prospectus.

3. Give a brief description, indicating:

(1) the designation and number of the securities to which are attached options, rights or warrants;

(2) the purchase or exercise price and the expiration date;

(3) if reasonably ascertainable, the market value of the securities to which are attached options, rights or warrants on the date it was granted; and

(4) the market value of the securities to which are attached options, rights or warrants on the date specified in paragraph 2 of the instructions.

4. An option, right or warrant whose term is extended is deemed to be a new option, right or warrant.

5. Where there is no market for the securities to which the options, rights or warrants are attached, indicate the method of determining the price of such securities at the date of purchase or exercise.

6. This item does not apply to options granted to a firm underwriter.

7. The information prescribed by this item may be given in tabular form.

Item 25:

Escrowed shares

1. State in substantially the tabular form indicated, the number of shares of each class of voting securities of the issuer to the knowledge of the issuer held in escrow.

ESCROWED SHARES

Designation of security (per class)	Number of securities held in escrow	Percentage in relation to securities in that class
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2. Also disclose the name of the depository, the conditions governing the release of the shares from escrow and the date, if the latter can be determined.

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Instructions

The information is requested as of a specified date within 30 days prior to the date of the preliminary prospectus or draft prospectus.

Item 26:

Principal holders of securities

1. For each class of voting securities of the issuer or any of its subsidiaries or affiliates give the number of securities held by each holder that owns more than 10 % of the securities in that class. If the securities are registered in the name of a person other than the owner, state that person's name. Give the names and addresses of the holders of securities and the percentage of securities held in each class.

PRINCIPAL HOLDERS

Name and address of holder	Class of security	Number of securities	Percentage in relation to securities in that class
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2. Show, for each class of voting securities of the issuer, the company controlling it or a subsidiary of the issuer, the percentage of securities held by the senior executives.

SECURITIES OWNED BY SENIOR EXECUTIVES

Class of security	Percentage in relation to securities in that class
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3. If voting securities are being offered in connection with, or pursuant to, a subscription plan, amalgamation or reorganization, indicate as far as practicable, the percentage of securities for each class of securities that will be held by the principal holders following the transaction.

4. If any of the securities are to be distributed for the account of a security holder name such security holder and state the number or value of the securities that he holds, the number or amount to be distributed for his account, and the number or amount to be owned by him after the offering.

Instructions

1. The information required by paragraphs 1 and 2 must be provided not more than 30 days prior to the date of the preliminary prospectus or draft prospectus.

2. Where a company holds more than 10 % of any class of securities, the Commission may require that the name of any holder of more than 10 % of any class of voting securities of that company be furnished.

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3. If, to the knowledge of the issuer or the distributor, more than 10 % of any class of voting securities of the issuer are subject to any voting trust or other similar agreement, state the designation of such securities, the number or value held or to be held and the term of the agreement. Give the names and addresses of the trustees and outline briefly their voting rights and other powers under the agreement.

4. Where a person named in answer to paragraph 1 is an associate of another person named in the prospectus, disclose the nature of the relationship.

Item 27:

Subsidiaries and participation

1. Furnish a list of the subsidiaries, other than inactive subsidiaries, of the issuer. As to each such subsidiary indicate under which Act it was incorporated, and the percentage of voting securities owned by the issuer. This information may be given in diagram form.

2. Where one of the primary businesses of the issuer is investing in securities, give in substantially the tabular form indicated the following information with respect to each company 5 % or more of whose securities of any class are owned by the issuer or its affiliates.

PARTICIPATION

Name and head office	Principal business	Percentage of securities of any class beneficially owned, directly or indirectly by the issuer or any of its affiliates	Percentage of issuer's assets invested in that affiliate
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Instructions

1. The information prescribed in paragraph 2 must be provided within 30 days of the preliminary prospectus or draft prospectus.

2. If the securities being issued are to be issued in connection with, or pursuant to, a subscription plan, amalgamation or reorganization or indicate insofar as practicable the status to exist upon consummation of the plan.

3. Where a subsidiary of the reporting issuer meets the following conditions, the information requested under this item may be omitted:

(1) the assets of the subsidiary or the investment in and advances to the subsidiary by its parent and the parent's other subsidiaries do not exceed 10 % of the assets of the parent and its subsidiaries on a consolidated basis;

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(2) the sales and operating revenues of the subsidiary do not exceed 10 % of the sales and operating revenues of its parent and the parent's subsidiaries on a consolidated basis; and

(3) the unnamed subsidiaries considered in the aggregate as a single subsidiary would satisfy the conditions in subparagraph 1 and 2 if the percentage therein were replaced by 20 %.

Item 28:

Prior or future sales

1. State the prices at which securities of the class offered by the prospectus have been sold within the past 12 months prior to the date of the preliminary prospectus or draft prospectus, or are to be sold, if such prices differ from those at which the securities are offered by the prospectus. State the number of securities sold or to be sold at each price.

2. Where securities in the same class as those offered are listed on a stock exchange, give price ranges and volume traded on such stock exchange for each month of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding 7 quarters.

Instruction

1. In the case of sales by a selling security holder, the information required by paragraph 1 may be given in the form of the average price for each calendar month.

2. For a natural resource company, where sales are made to insiders or their associates, or to employees under a stock option, or where stock options or warrants were granted to any person, indicate to whom and at what price such sales were made or to whom such stock options or warrants were granted.

Item 29:

Interest of senior executives and others in material transactions

Describe briefly any material interest of any of the following persons in transactions within the 3 years preceding the date of the preliminary prospectus or draft prospectus, or in any proposed transaction which has materially affected or will materially affect the issuer or any of its subsidiaries:

- (1) any senior executive of the issuer;
- (2) any shareholder named in answer to paragraph 1 of Item 26; and;
- (3) any associate or affiliate of any of the persons named in subparagraphs 1 and 2.

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Instructions

1. Give a brief description of the material transaction. Include the name and address of each interested person and his relationship with the issuer.
2. As to any transaction involving the purchase or sale of assets by or to the issuer or any subsidiary, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within 2 years prior to the transaction.
3. This item does not apply to any interest arising from the ownership of securities of the issuer where the security holder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities.
4. Information shall be included as to any material underwriting discounts or commissions upon the sale of securities by the issuer where any of the persons referred to in this item is a dealer or is an associate or affiliate of a person that is a dealer.
5. No information need be given in answer to this item where:
 - (1) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;
 - (2) the interest of a specified person in the transaction is solely that of a director of another company that is a party to the transaction;
 - (3) the transaction involves services as a bank or other depository of funds, transfer agent, registrar, trustee under a trust deed or other similar services;
 - (4) the interest of a specified person, including all periodic installments in the case of any lease or other agreement providing for periodic payments or installments, does not exceed 50 000 \$; or
 - (5) the transaction does not involve remuneration for services, and,
 - (a) the interest of the specified person arose from the beneficial ownership, direct or indirect, of less than 10 % of any class of voting securities of another company that is a party to the transaction;
 - (b) the transaction is in the ordinary course of business of the issuer or its subsidiaries; and
 - (c) the amount of the transaction or series of transactions is less than 10 % of the total sales or purchases, as the case may be, of the issuer and its subsidiaries for the last completed financial year.

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6. Where the interest of a person arises solely from the ownership, direct or indirect, of less than 10 % of any class of voting securities of a company that is a party to the transaction, that person is not required to furnish the information requested under this item.

Item 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;

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(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 and represents more than 10 % of the capital 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 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.

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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 2 valuations of the issuer by 2 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 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.

Item 30: Auditors, transfer agents and registrars

1. State the name and address of the auditor.
2. Where shares are offered, state the names of the issuer's transfer agents and registrars and the location of the registers of transfers of each class of shares of the issuer. Where securities other than shares are offered, state the location of each register on which transfers of such securities may be recorded.
3. For a finance company, where the consolidated financial statements of the issuer are set out in the prospectus and the auditor of one or more subsidiaries is not the auditor of the issuer, set out the name and address of such auditor and the firm name of the subsidiary. Where an auditor makes a report containing any qualification, so state in the prospectus.

Item 31: Material contracts

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Give particulars of every material contract entered into within the 2 years prior to the date of the preliminary prospectus or draft prospectus by the issuer or any of its subsidiaries: give, in particular, the date of the contract, the name of the parties and a brief description. State the conditions under which any such contract or a copy thereof may be inspected during distribution of the securities being offered.

Instructions

1. *Set out a complete list of all material contracts, indicating those which are disclosed elsewhere in the prospectus and provide particulars with respect to those material contracts about which particulars are not given elsewhere in the prospectus. This item does not require disclosure of contracts entered into in the ordinary course of business.*

2. *Particulars of contracts need not be disclosed if the Commission determines that such disclosure or making-available would impair the value of the contract and would not be necessary for the protection of investors.*

Item 32:

Incorporation within one year

This item applies only to natural resource companies. Where a company has not been incorporated for more than one year prior to the date to which the most recent balance sheet contained in the prospectus is drawn up, state the amount or estimated amount of preliminary expenses, showing administrative and development expenses separately, including the amount already expended and the estimated future expenditures in each case.

Item 33:

Additional financial information

This item applies only to finance companies.

Employing tabular form where appropriate, with such explanatory notes as are essential to an investor's appraisal of the securities being offered, set forth the following information in respect of the issuer, its subsidiaries and affiliates:

(1) *Maturity of receivables*

State the amount of receivables:

- (a) *due in the current financial year;*
- (b) *due within the next subsequent financial year;*
- (c) *due within the 2 years next thereafter; and*

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(d) *due at any later date.*

(2) *Analysis of receivables*

State the amount of receivables relating to:

(a) *the sale of industrial products, wholesale or retail;*

(b) *consumer loans;*

(c) *hypothecary loans;*

(d) *leasing;*

(e) *business loans; and*

(f) *any other type of loan.*

(3) *Funding requirements*

Indicate the sinking fund requirements and the amount of debt for the following periods:

(a) *one year;*

(b) *one year to two years;*

(c) *two years to three years;*

(d) *three years to five years;*

(e) *five years to ten years; and*

(f) *over ten years.*

The issuer is not required to provide information given elsewhere in the prospectus.

(4) *Working capital*

Show the amount of working capital as of the date of the balance sheet in the prospectus both before and after giving effect to the proposed issue.

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Include assets which will be due within the next 2 months and the liabilities payable within the same period. Where there is a deficiency in working capital, explain its significance.

(5) *If the effective tax rate is significantly less than is normally paid by finance companies generally, explain the principal reasons for such rate. .*

(6) *Indicate those subsidiaries and operations which have produced material operations losses within the preceding 2 financial years, giving details thereof.*

(7) *Set out the amounts of the finance company's credit losses for each of the preceding 5 financial years and show such amounts as a percentage of liquidations, and of average outstandings.*

Give appropriate details of the quality, collectibility and arrears of receivables and include an age analysis of accounts receivable, and the percentage of receivables refinanced after being in arrears for more than 3 months.

Item 34: Relationships with other companies

This item applies only to finance companies.

Where the issuer is a subsidiary, or a person has dominant interests in the issuer, indicate:

(1) *whether the issuer operates as an adjunct to the primary business of the parent or dominant interest;*

(2) *what percentage of the voting securities of the issuer is owned by its parent, or by any dominant interest;*

(3) *whether the parent of, or dominant interest in, the issuer intends to make loans to the issuer;*

(4) *whether the issuer makes loans to or invests in securities of any affiliate or associate;*

(5) *any other basis of influence by the parent or dominant interest.*

Instructions

1. *In this item, "dominant interest" is used to describe the situation of one of the following persons:*

(1) *a person that controls the issuer;*

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(2) a person that is an affiliate of the issuer excluding any subsidiary of the issuer;

(3) a person that owns more than 10 % of the voting securities of the issuer; or

(4) a person that is customarily able to direct the operations of the issuer by virtue of:

(a) management contracts;

(b) licensing or franchise agreements;

(c) options on voting securities;

(d) escrow or pooling or voting trust agreements.

2. Where any parent is incorporated under the laws of a foreign country or has its head office in a foreign country, give the name of the country and state briefly the nature of the organization.

3. If the existence of a dominant influence is open to reasonable doubt in any instance, the issuer may disclaim the existence of a dominant influence and any admission thereof; in such case, however, the issuer shall state the material facts pertinent to the possible existence of a dominant influence.

Item 35:

Tax status of issuer

This item applies only to finance companies. Briefly describe the tax status of the issuer.

Item 36:

Tax status of security holders

This item applies only to finance companies.

State in general terms the income tax consequences of a distribution to the holders of the securities offered.

Item 37:

Location of securities subject to a trust deed and depository of portfolio securities

This item applies only to finance companies.

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1. Where securities that are part of the investment portfolio of the issuer or of an affiliate of the issuer are pledged or subject to a trust deed, state where such securities are kept.

Where such securities are to be pledged or subject to a trust deed as part of any scheme of financing, state where the securities will be kept and name the persons expected to be parties to the transaction. .

2. Where the primary business of the issuer or of an affiliate of the issuer is trading in securities, state the name, principal business address and the nature of the business of each depository portfolio securities, and the province or country where they are kept.

3. The name of the person referred to in paragraph 1 or 2 may be omitted if that person is a bank governed by the Bank Act (S.C. 1 980-81-82, c. 40) or by the Québec Savings Bank Act (R .S.C. 1970. c. B-4).

Instructions

1. Indicate the purpose of the scheme of financing if the issuer has not done so elsewhere in the prospectus. In the case of a take-over bid, the source of capital or the name of the company concerned need not be disclosed provided that the provisions of Title V of the Act have been complied with.

2. Where the issuer is the depository for its portfolio securities, or where debt securities are issued without a trust deed, describe:

(1) provisions made for the safekeeping of portfolio and other securities and assets;

(2) bonding arrangements, if any, for employees or agents dealing with portfolio and other securities and assets; and

(3) corporate procedures for dealing with the purchase, sale and transfer of portfolio and other securities and assets.

Item 38: Statement of functions of issuer

This item applies only to finance companies.

1. Give a concise statement of the manner in which the following functions of the issuer are performed and the name and address of the person responsible for performing such functions where that person is not an employee of the issuer or any affiliate of the issuer:

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- (1) *management of investments other than securities;*
- (2) *providing supervision of lending policies;*
- (3) *management of the issuer;*
- (4) *providing collection policies;*
- (5) *making investment decisions and supervising their execution; and*
- (6) *purchase and sale of the investment portfolio and brokerage arrangements relating thereto.*

2. *Indicate whether the approval of the board of directors is required for investments in securities, and whether the board of directors of the company making the investment comprises directors representing persons having an interest in the finance company.*

Instructions

1. *Give the following information on the investment portfolio and brokerage arrangements:*

- (1) *the name and address of the principal dealer;*
- (2) *the total cost during the last completed financial year of the issuer of securities acquired, distinguishing between,*
 - (a) *securities of or guaranteed by the government of any country or any political subdivision thereof;*
 - (b) *short term notes; and*
 - (c) *other securities;*
- (3) *the total cost of securities held at the beginning and at the end of the issuer's last completed financial year;*
- (4) *the criteria used in allocating securities transactions to dealers engaged in the distribution;*
- (5) *the formula, method or criteria used in allocating brokerage business to dealers furnishing other services; and*
- (6) *the amount of brokerage paid to the principal dealer for the last 3 completed financial years, giving the total amount paid in each year and*

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expressing the amount paid in each year as a percentage of the total brokerage paid by the issuer.

2. *In this item, "principal dealer" means:*

(1) *a person through whom the investment portfolio of the issuer is purchased or sold pursuant to a contractual arrangement with or for the issuer providing for an exclusive right to purchase or sell the investment portfolio of the issuer or any feature which gives or is intended to give a dealer a material competitive advantage over other dealers in respect of the purchase or sale of the investment portfolio of the issuer; or*

(2) *a person, together with any affiliate, by or through whom 15 % or more of the securities transactions of the issuer were carried out in the last completed financial year of the issuer.*

3. *If one or more persons performs more than one of the functions referred to in this item, so state, giving details of all functions so performed.*

Item 39: Associated persons

This item applies only to finance companies.

1. *Give particulars of the relationship between the issuer and any person referred to in paragraph 1 of Item 38 where:*

(1) *the person named:*

(a) *is associated with the issuer;*

(b) *is a senior executive of an associate or an affiliate of the issuer;*

(c) *is associated with any company that is an affiliate of or is associated with the issuer;*

(2) *the issuer is associated with:*

(a) *a named person;*

(b) *a company that is an affiliate of or is associated with a named person;*

(3) *the person that is associated with the issuer is also associated with a named person;*

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(4) *the person is associated with any other named person.*

2. *If a named person has a contract or arrangement with the issuer, give a brief description of the contract or arrangement, including the basis for determining the remuneration of the named person and give the amount of remuneration paid or payable by the issuer and its subsidiaries to such person during the last completed financial year of the issuer.*

3. *Where required by the Commission, give the business experience of each named person and, in the case of a named company, the senior executives thereof.*

Item 40:

Other material facts

Give particulars of any other material facts likely to affect the value or the market price of the securities proposed to be offered.

O.C. 660-83, Sch. I; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 75 to 80; O.C. 1263-85, s. 81; O.C. 697-87, s. 35 and 36; O.C. 977-88, s. 28, 29 and 30.

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SCHEDULE II PROSPECTUS OF AN UNINCORPORATED MUTUAL FUND OR OF AN INCORPORATED MUTUAL FUND

Item 1:

Name and incorporation of issuer

State the name of the issuer, the address of its head office, the Act under which it was incorporated and the date of incorporation. Mention any material amendment to the incorporating documents.

Item 2:

Summary of prospectus

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

Instructions

1. This summary should highlight in condensed form the information, both favourable and adverse, including risk factors in Item 6, including information about both the issuer and the securities to be offered.

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

Item 3:

Description of business

1. Briefly describe the business of the issuer.

2. If the issuer has engaged in any business other than that of an unincorporated mutual fund or an incorporated mutual fund during the past 5 years, state the nature of the other business and give the approximate date on which the issuer commenced to operate as an unincorporated mutual fund or an incorporated mutual fund. If the issuer's name was changed during the period, state its former name and the date on which it was changed. Give information on matters such as:

- (1) bankruptcy, sequestration or similar proceedings;
- (2) material reorganization.

3. If during the past 2 years any affiliate of the issuer had any material interest in any transaction involving the purchase of any substantial amount of assets

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presently held by the issuer, describe the interest of the affiliate in such transaction and state the cost of such assets to the purchaser and to the seller.

Item 4:

Price or securities on sale or redemption -

1. *Describe briefly the method followed or to be followed by the issuer in determining the price at which its securities will be offered for sale and redeemed.*

Instructions

1. *State the frequency with which the offering or redemption price is determined and the time when the price becomes effective.*

2. *Describe the rules used for the valuation of the issuer's assets and liabilities for the purpose of calculating net asset value per share or unit and disclose all instances, within the past 3 years, when the discretion to deviate from these rules, if any, was exercised.*

3. *Explain fully any difference in the price at which securities are offered for sale and the redemption price.*

2. *State the sales charge expressed as a percentage of the total amount paid by the purchaser and as a percentage of the net amount invested in securities of the issuer. State the redemption charge, if any, expressed as a percentage of the redemption price.*

Instructions

1. *If the sales or redemption charge varies in relation to the amount of the operation, give the tariff.*

2. *Indicate briefly any difference in the sales charge imposed upon the sale of securities in connection with the conversion or exchange of securities or the reinvestment of dividends.*

3. *In this Schedule, "sales charge" includes all service charges including charges relating to such matters as cost of the establishment of a contractual plan and the cost of the continuing administration and maintenance of such a plan.*

4. *When giving particulars of the sales charge with respect to a contractual plan indicate when during the term of the plan the sales charge will be deducted.*

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5. Give particulars of the entitlement of the purchaser of a contractual plan to a refund of any sales charge incurred if the contractual plan is terminated during the term of such plan.

3. Describe briefly any right or obligation to reinvest the proceeds of dividends in the issuer's securities..

4. State the penalty, if any, for early redemption.

Item 5:

Method of distribution

Outline briefly the method of distribution of securities being offered. If sales of securities are to be effected through a principal distributor, give brief details of any arrangements with the principal distributor. See Items 21 and 22.

Instructions

1. State whether it is the intention of the issuer to engage in the continuous sale of its securities.

2. If the securities are being offered by way of a contractual plan, give the main particulars of the contractual plan, including:

(1) minimum initial investment;

(2) subsequent minimum investment;

(3) sales charge deductions from such minimum investments;

(4) sales charges as a percentage of the amount paid by the purchaser and as a percentage of the net amount invested in securities of the issuer;

(5) the total amount invested contrasted to the amount paid by the purchaser.

3. As used in this Schedule, "principal distributor" means,

(1) a person through whom securities of the issuer are distributed pursuant to a contractual arrangement with the issuer or the manager providing for an exclusive right to distribute the securities in a particular area or any feature which gives or is intended to give a distributor a material competitive advantage over other distributors of the securities offered; or

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(2) a person, together with any affiliate, by or through whom 25 % or more of the securities of the issuer which were distributed during the last financial year of the issuer were distributed.

4. Despite the fact that he is a principal distributor within the meaning of paragraph 3, with the consent of the Commission, a person may be treated as not coming within the definition of a principal distributor for the application of one of the items of this Schedule.

Item 6:

Risk factors

1. A statement shall be made on the first page or in the summary of the prospectus, summarizing the risk factors and the speculative nature of the enterprise or of the securities being offered. The information may be given in the body of the prospectus if an appropriate reference is made on the first page of the prospectus to the risks and the speculative nature of the enterprise and a cross reference is made to the place in the prospectus where the information is contained.

2. Where there is a risk that purchasers of the securities offered may become liable to make an additional contribution beyond the price of the security, disclose any information or facts that may bear on the security holder's assessment of risk associated with the investment.

Item 7:

Investment objectives

Precisely state the investment objectives of the issuer.

Instructions

Aims such as long-term capital appreciations or current income and the types of securities in which the issuer will invest should be described.

Item 8:

Investment practices and restrictions

Where the issuer engages or proposes to engage in any of the following practices, so state, indicating the rules applicable thereto. Outline the extent, if any, to which the issuer has engaged in each of the practices during the last 5 years. Indicate which of the rules may not be changed without the approval of the holders of the issuer's securities:

(1) the issuance of securities other than the securities offered by the prospectus;

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- (2) *the borrowing of money;*
- (3) *the underwriting of securities of other issuers;*
- (4) *the concentration of investments in a particular sector of industry;*
- (5) *the purchase and sale of real estate;*
- (6) *the purchase and sale of commodities or commodity future contracts;*
- (7) *the making of loans;*
- (8) *the investment of a specific proportion of assets of the issuer in a specific type of security (for example, obligations, preferred shares, money market instruments, etc.);*
- (9) *the investment of more than 10 % of the assets of the issuer in the securities of another issuer;*
- (10) *the investment in more than 10 % of the securities of any one issuer;*
- (11) *the investment in securities of an issuer for the purpose of exercising control or management;*
- (12) *the investment in securities of an unincorporated mutual fund or an incorporated mutual fund;*
- (13) *the purchase or sale of hypothecs;*
- (14) *the purchase of securities on margin or selling short;*
- (15) *the investment in securities which are not fully paid;*
- (16) *the investment in illiquid securities and securities subject to restriction on resale;*
- (17) *the investment in foreign securities;*
- (18) *the investment in gold or gold certificates;*
- (19) *the pledging, mortgaging or hypothecating of the issuer's assets;*
- (20) *the sale or purchase of portfolio securities to or from senior executives of the issuer or of the manager;*
- (21) *the guaranteeing of securities or obligations of another issuer;*

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- (22) *the purchase of options, rights and warrants;*
- (23) *the writing of covered or uncovered clearing corporation options;*
- (24) *the investment in a security which may require the purchaser to make an additional contribution beyond the price of the security;*
- (25) *any investment other than in securities.*

Instructions

1. *It is not necessary to state the practices in which the issuer has not and does not propose to be engaged.*
2. *For the purpose of subparagraph 7, the purchase of debt securities for investment purposes is not to be considered as the making of a loan.*
3. *For the purposes of subparagraph 16, where the issuer invests in securities subject to restriction on resale, describe how the securities are to be valued in the determination of net asset value.*

Item 9: Diversification of assets

Furnish in substantially the tabular form indicated the following information as at a date within 30 days of the date of the preliminary prospectus or draft prospectus with respect to each legal person 5% or more of whose securities of any class are owned by the issuer.

<i>Name and address of legal person</i>	<i>Nature of its principal business</i>	<i>Percentage of securities of any class owned by issuer</i>	<i>Percentage of book value of issuer's assets invested in such securities</i>

Item 10: Management fees

1. *Indicate the method of determining the amount of management fees and distinguishing between those charged to the issuer and those charged directly to security holders, other expenses, if any, and make a cross reference to the financial statements in the prospectus for details as to the amount of management fees and other expenses, if any, which have been charged to the issuer.*

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2. Set out in tabular form a record of management expense ratio comprising the aggregate of all fees and other expenses paid or payable by the issuer during each of the last 5 financial years as a percentage of average net assets under administration during each of those financial years. Such disclosure should also include a brief description of the method of calculating the percentage and a statement that the management expense ratio may vary from one unincorporated mutual fund or incorporated mutual fund to another.

Instructions

1. Where management fees are changed or are proposed to be changed and where such change would have had an effect on the management expense ratio for the most recent financial year, if the change had been in effect, the effect of such change should be disclosed.

2. Where the financial year is other than a full year, the management expense ratio should be annualized, the period covered specified and a statement made that the management expense ratio is annualized.

3. For the purposes of this Item, "average net assets" should be calculated to be the average of the net assets determined at each valuation date of the issuer and before the deduction of management fees and other expenses, and the term "other expenses" means all other expenses incurred in the course of ordinary business of the issuer with the exception of the brokerage fees on the purchase and sale of portfolio securities and taxes.

4. Where an issuer invests in an unincorporated mutual fund or incorporated mutual fund, the management expense ratio shall be calculated on the basis of those assets of the issuer on which a management fee is charged.

5. The financial statements should set out in appropriate detail the amounts of the management fee and other expenses, if any, which have been charged to the issuer.

6. The charges levied against security holders rather than the issuer for special services such as trustee fees for registered retirement saving plans, redemption fees, transfer fees between related incorporated mutual funds and unincorporated mutual funds, or any other specific service charge to a class of investors, should be disclosed separately, in a single table, and should not be included as part of the management expense ratio.

Item 11:

Tax status of issuer

State in general terms the basis upon which the income and capital gains of the issuer are taxed.

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Item 12:

Tax status of security holder

State in general terms the income tax consequences to the holders of the securities offered of:

- (1) any distribution to such holders in the form of dividends, including amounts reinvested;
- (2) redemption of securities;
- (3) sale of securities;
- (4) transfer of funds between incorporated mutual funds or unincorporated mutual funds, as the case may be.

Item 13:

Promoters

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

- (1) the name, nature and amount of any consideration received or to be received from the issuer;
- (2) the nature and amount of any assets, services or other consideration received or to be received by the issuer from the promoter;
- (3) as to any assets acquired within the past 2 years or to be acquired by the issuer from a promoter, state the amount at which they were acquired or are to be acquired and the principle followed or to be followed in determining the amount. Identify the person making the determination and state his relationship, if any, with the issuer or any promoter. State the date that the assets were acquired by the promoter and the cost thereof to the promoter.

Item 14:

Legal proceedings

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

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Instructions

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

Item 15: Shares - Units

1. *Describe the shares or units offered and furnish the following information:*
 - (1) *dividend rights;*
 - (2) *voting rights;*
 - (3) *liquidation or distribution rights;*
 - (4) *pre-emptive rights;*
 - (5) *conversion rights;*
 - (6) *redemption, purchase for cancellation or surrender provisions;*
 - (7) *liability to further calls or to assessment by the issuer; and*
 - (8) *provisions as to modification of any such rights or provisions.*

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

Instructions

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

2. *If the rights attaching to the shares or units being offered are materially limited by those attached to another security or if a security ranks ahead of or equally with the shares or units being offered, include information regarding such other securities that will enable investors to understand the rights attached to the shares or units being offered. If any share or units being offered are to be offered in exchange for other securities, an appropriate description of the other securities shall be given. No information need be given, however, as to any class of securities that is to be redeemed or otherwise retired, provided appropriate steps to assure redemption or retirement have*

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been or will be taken prior to or contemporaneously with the delivery of the shares or units being offered.

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

Item 16: Dividends

State the amount of dividends per share, paid by the issuer including dividend reinvestment, during its last 5 completed financial years preceding the date of the preliminary prospectus or draft prospectus.

Item 17: Senior executives and trustees

List the names and addresses of all senior executives and trustees of the issuer and indicate all positions and offices held by each person named, and their principal occupations, within the 5 preceding years.

Instructions

1. *Solely the place of residence or postal address may be listed, however the Commission may request that the home address in full be furnished.*

2. *Where the principal occupation of a director or officer is that of an officer of another company, state the business in which such company is engaged.*

Item 18: Remuneration of Senior Officers and Trustees

1. *Incorporated and unincorporated mutual funds which directly employ officers must furnish the information prescribed by Item 22 of Schedule 1.*

2. *Incorporated mutual funds, the businesses of which are managed by a management company pursuant to a contractual arrangement with the issuer and unincorporated mutual funds, the businesses of which are managed by a corporate trustee pursuant to the terms of a trust indenture, must present the following information:*

(1) *the aggregate amount of directors' or trustees' fees paid by the issuer in respect of each of the financial years reported upon;*

(2) *the aggregate amount of expenses reimbursed by the issuer to the directors or trustees in respect of the fulfilment of duties as directors or trustees.*

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However this information may be presented in the annual financial statements.

In addition, such issuers must state in the annual information form that amounts reported in the financial statements as paid or reimbursed to directors and trustees constitute the only compensation paid by the issuer to such directors and trustees.

Item 19: Indebtedness of senior executives

Disclose any information regarding the indebtedness of each senior executive of the company, each nominee for the position of director or to a person associated with such senior executive or nominee, to the extent that it is not routine indebtedness.

Instructions:

1. *State the name and address of each person who received such a loan. Solely the place of residence or postal address may be given.*

2. *State the largest aggregate amount of indebtedness outstanding towards the issuer and its subsidiaries by each of such persons at any time during the last financial year, the nature of the indebtedness and the transaction in which it was incurred, the balance presently outstanding, and the rate of interest.*

3. *“Routine indebtedness” means:*

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

(2) *a loan made to a full-time senior executive of the issuer, provided the amount of the loan does not exceed his annual salary, and the loan is fully secured by hypothec on his residence;*

(3) *a loan made to a senior executive who is not a full-time employee of the issuer or to a person associated with him provided the making of the loan is part of the ordinary business of the issuer, is granted on the same terms as to other customers, involves no more than usual risks of collectibility, and does not exceed the greater of 200 000 \$ or 5 % of the shareholders' equity for the aggregate of loans made;*

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

Item 20: Depository of portfolio securities

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1. State the name, principal business address and the nature of the business of each person holding portfolio securities of the issuer as depository and the jurisdiction in which the portfolio securities are physically situate. The name of the depository may be omitted if it is a bank to which the Bank Act (S.C. 1980-81-82, c. 40) applies, or otherwise with the consent of the Commission.

2. Give brief details of the contractual arrangements made with the depository.

Item 21:

Statement of principal functions

1. Give a concise statement of the manner in which the following functions of the issuer are performed and who is responsible therefor, stating how such functions are co-ordinated and to the extent that any such functions are not performed by employees of the issuer, the names and addresses of the persons responsible for performing such functions:

(1) management of the issuer other than management of the investment portfolio;

(2) management of the investment portfolio;

(3) providing investment analysis;

(4) providing investment recommendations;

(5) making investment decisions;

(6) purchase and sale of the investment portfolio and contracts relating thereto;

(7) distribution of the securities offered.

2. List the names and addresses of all senior executives of the legal persons named in answer to paragraph 1.

3. Indicate the method of determining the amount of management fees and state the total of such fees paid during each of the last 5 completed financial years and for the current financial year. This information is given as at a date within 30 days of the preliminary prospectus or draft prospectus.

4. Indicate the circumstances under which the management agreement may be terminated.

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5. Indicate conflicts of interest or potential conflicts of interest between the issuer and the persons named in answer to paragraph 1.

Instructions

1. The address given may be the place of residence or a postal address, however the Commission may request that the address in full be furnished.

2. In giving information regarding distribution of securities the name and address of only the principal distributor need be given.

3. In giving information regarding the purchase and sale of the investment portfolio and contracts relating thereto the name and address of only the principal dealer need be given. Brief details of the following matters should also be given:

(1) the total cost of securities acquired by the issuer during the last financial year, distinguishing between,

(a) securities of or guaranteed by a government or a political subdivision thereof;

(b) short-term notes;

(c) other securities;

(2) the total cost of securities held at the beginning and at the end of the issuer's last financial year;

(3) the method or criteria used in allocating brokerage business to persons engaged in the distribution of the securities of the issuer;

(4) the formula, method or criteria used in allocating brokerage business to persons furnishing statistical, research or other services to the issuer or the manager of the issuer; and

(5) the commissions paid to the principal dealer for the last 3 financial years, giving the amount paid in each year and expressing the amount paid in each year as a percentage of the total commissions paid by the issuer.

4. If one or more persons performs more than one of the functions referred to in this item, so state, giving details of all functions so performed.

5. For the purpose of this Schedule, "principal dealer" includes:

(1) a person through whom the investment portfolio of the issuer is purchased or sold pursuant to a contractual arrangement with the issuer or the manager

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of the issuer providing for an exclusive right to purchase or sell the investment portfolio of the issuer or any feature which gives or is intended to give a dealer a material competitive advantage over other dealers in respect of the purchase or sale of the investment portfolio of the issuer; or

(2) a person, together with any affiliate, by or through whom 15 % or more of the securities transactions of the issuer were carried out in the last financial year.

6. Despite the fact he is a principal dealer within the meaning of paragraph 5, with the consent of the Commission, a person may be treated as not coming within the definition of a principal dealer for the application of one of the items of this schedule.

Item 22: Associated persons

Furnish the following information on each person named in answer to paragraph 1 of Item 21:

1. If that person:
 - (1) is associated with the issuer;
 - (2) is a senior executive of a legal person that is associated with any affiliate of the issuer or is associated with that legal person;
 - (3) is a senior executive of a legal person associated with the issuer or is associated with that legal person.
2. If the issuer:
 - (1) is associated with that person;
 - (2) is associated with any affiliate of that person;
 - (3) is associated with a legal person that is associated with that person, so state, and give particulars of the relationship.
3. If a person associated with the issuer is also associated with the person named, so state, and give particulars of the relationship.
4. If a named person has a contract or arrangement with the issuer, give a brief description of the contract or arrangement, including the basis for determining the remuneration of the named person and give the amount of remuneration paid or payable by the issuer to such person during the last financial year of the issuer.

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5. If a person named in answer to paragraph 1 of Item 21 is associated with any other person therein, so state, and give particulars of the relationship.

6. Where required by the Commission, give the business experience of each person named and, in the case of a legal person, of its senior executives.

Item 23:

Principal holders of securities

1. For each class of voting securities of the issuer or the manager, give the number of securities held by each holder that owns more than 10 % of the securities in that class. If the securities are registered in the name of a person other than the owner, state that person's name. Give the names and addresses of the holders of securities and the percentage of securities held in each class.

Name and address of holder	Issuer of manager	Class of Security	Number of securities	Percentage in relation to securities in that class

2. If any person named in answer to paragraph 1 owns more than 10 % of:

(1) any class of voting securities of the principal distributor or the principal dealer of the issuer or any company controlling them or its subsidiary; or

(2) any proprietorship interest in the principal distributor or the principal dealer of the issuer, give the percentage of such securities or the percentage of such proprietorship interest so owned by such person.

3. State for each class of voting securities:

(1) of the issuer, the company controlling it or a subsidiary, held by all the senior executives and trustees of the issuer;

(2) of the manager, the company controlling it or a subsidiary, held by all the senior executives of the manager.

Name of company	Issuer or relationship with issuer	Class of security	Percentage in relation to securities in that class

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Instructions

1. The information required by paragraphs 1 and 3 of this item is furnished in tabular form as of a specified date within 30 days prior to the date of the preliminary prospectus or draft prospectus.

2. Where a legal person owns more than 10 % of any class of securities of the issuer, the Commission may require the disclosure of the name of any individual who owns more than 10 % of each class of voting securities of that legal person.

3. Securities owned directly or indirectly shall be aggregated in determining whether any person owns more than 10 % of the voting securities of any class.

4. If voting securities are being offered in connection with, or pursuant to, a subscription plan, amalgamation or reorganization, indicate, as far as practicable, the holdings of securities, for each class, that will be held by the principal securities holders after giving effect to the plan.

5. If, to the knowledge of the issuer or the manager, more than 10 % of any class of voting securities are held or are to be held subject to any voting trust or other similar agreement, state the designation of such securities, the number held or to be held and the duration of the agreement. Give the names and addresses of the trustees and outline briefly their voting rights and other powers under the agreement.

6. If, to the knowledge of the issuer, the company controlling the issuer, the manager or the company controlling the manager, any person named in answer to paragraph 1 is an associate or affiliate of any other person named in the prospectus, disclose the nature of such relationship.

Item 24:

Interest of senior executives and others in material transactions

Describe briefly any material interest of any of the following persons in any transaction within the 3 years prior to the date of the preliminary prospectus or draft prospectus, or in any proposed transaction which has materially affected or will materially affect the issuer or any of its subsidiaries:

- (1) the manager of the issuer;
- (2) the principal distributor of the issuer;
- (3) the principal dealer of the issuer;
- (4) any senior executive or trustee of the issuer or of any person referred to in subparagraphs 1, 2 and 3;

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- (5) any security holder named in answer to paragraph 1 of Item 23; and
- (6) any associate or affiliate of any of the foregoing persons.

Instructions

1. Give a brief description of the material transaction. Include the name and address of each person whose interest in any transaction is described and the nature of the relationship with the issuer.

2. As to any transaction involving the purchase or sale of assets by or to the issuer otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within 2 years prior to the transaction.

3. This item does not apply to any interest arising from the ownership of securities of the issuer where the security holder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities.

4. The information prescribed in this item is not required in the following cases:

(1) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(2) the interest of a specified person in the transaction is solely that of director of a company that is a party to the transaction;

(3) the transaction involves services as a bank or other depository of funds, transfer agent, registrar, trustee under a trust deed or other similar services;

(4) the interest of a specified person, including all periodic installments in the case of any lease or other agreement providing for periodic payments or instalments, does not exceed 50 000 \$; or

(5) the transaction does not involve remuneration for services, provided

(a) the interest of a specified person arose from the beneficial ownership, of less than 10 % of any class of securities of another company that is a party to the transaction; and

(b) the transaction is in the ordinary course of business of the issuer.

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5. Information need not be furnished in answer to this item by persons who have an interest in transactions that involve remuneration if that person owns less than 10 % of any class of voting securities of a company that is a party to the transaction.

Item 25:

Auditors, transfer agent and registrar

1. State the name and address of the auditor.
2. State the name of the issuer's transfer agent and registrar and the city in which the registers of transfer of the issuer's securities are kept.

Item 26:

Material contracts

Give particulars of every material contract entered into by the issuer within the 2 years prior to the date of the preliminary prospectus or draft prospectus, including the date of the contract, the name of the parties and a brief description. Outline the conditions under which those contracts may be consulted during the distribution.

Instructions

1. Set out a complete list of all material contracts, indicating those which are disclosed elsewhere in the prospectus and provide particulars with respect to the others. This item does not require disclosure of contracts entered into in the ordinary course of business of the issuer.
2. Particulars of contracts need not be disclosed, if the Commission determines that such disclosure or making-available would impair the value of the contract and would not be necessary for the protection of investors.

Item 27:

Other material facts

Give particulars of any other material facts likely to affect the value or the market price of the securities proposed to be offered.

Item 28:

Statutory rights

The prospectus must contain the following statement:

"Securities legislation in certain of the provinces provides purchasers with the right to withdraw from an agreement to purchase mutual fund shares or units within 2 business days after receipt of a simplified prospectus. If the agreement is to purchase

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such securities under a contractual plan, the time period during which withdrawal may be made may be longer.

In several of the provinces and territories securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the simplified prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser but such remedies must be exercised by the purchaser within the time limit prescribed by the securities legislation of his province or territory. The purchaser should refer to any applicable provisions of the securities legislation of his province or territory for the particulars of these rights or consult with a legal adviser.”

O.C. 660-83, Sch. II; O.C. 1263-85, s. 83; O.C. 1263-85, s. 82.

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SCHEDULE III PROSPECTUS WHERE THE DISTRIBUTION IS MADE THROUGH A STOCK EXCHANGE

The prospectus must contain the warning prescribed by section 30 of the Regulation mutatis mutandis.

The first page must contain a summary of the terms and method of distribution. When the contract has a market out clause, state this fact.

Item 1: Name and incorporation of issuer

State the corporate name of the issuer, the address of its head office, the laws under which it was incorporated and the date of such incorporation. Mention any material amendment to the incorporating documents.

Item 2: Distribution

1. *Set out the description, designation and number of securities being offered. If any of the securities being offered are to be offered for the account of a security holder, name the security holder and state the number of securities owned by him, the acquisition date, the total cost and cost per unit, the number of securities to be distributed and the balance at the end of the distribution.*

2. *State if the distribution of securities on behalf of a security holder will occur only after the securities of the issuer have been distributed.*

3. *In the case of restricted shares, comply with the policy statements of the Commission.*

Item 3: Distribution spread

Set out the distribution price and the net proceeds on both a per unit and an aggregate basis.

If it is not possible to state this information explain the method by which they are to be determined.

Give the range of the market price during the ninety days preceding the date of the prospectus.

Item 4: Distribution

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Outline briefly, giving particulars of any outstanding or proposed distribution contract or option agreement, including the name and address of each dealer or optionee.

Give similar particulars of sub-distribution contracts or sub-option agreements to be given and particulars of any assignments or proposed assignments of any such agreements.

Item 5: 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 prospectus. This information may be given in the body of the prospectus if an appropriate reference is made on the first page of the prospectus.

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 5.1 Dilution

Set out on the first page, if any, the dilution of the securities offered, based on net tangible assets including the distribution. This information may be given in the body of the prospectus if an appropriate reference is made on the first page. The information must be presented in accordance with the following table.

Dilution per share

Offering price			\$
Net tangible book value before distribution		\$	
Increase of net tangible book value attributable to the distribution		\$	
Net tangible book value after the distribution			\$
Dilution to subscriber			\$
Percentage of dilution in relation to the offering price			%

Instructions

1. The issuer may omit the information prescribed by this item where it considers such information to be of no value.

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2. In the calculation of the net tangible book value after the offering, the remuneration of the underwriter and the cost of distribution are to be deducted.

Item 6:

Principal security holders of dealer or optionee

Give the name and address of any person or company who holds in excess of 10 % of the voting securities of any person or company named in answer to 4 above and the number and percentage of voting securities so held.

Item 7:

Use of proceeds

State the principal purposes for which the estimated proceeds are intended to be used and the amount intended to be used for each such purpose.

If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and the sources of such other funds.

Item 8:

Senior executives

Give names, addresses and principal occupations for the past 5 years of the senior executives of the issuer.

In the case of a mining exploration and development company, state the approximate amount of time that each senior executive and promoter intends to devote to the issuer's business and the nature of the work to be done. Give for each of the persons mentioned, the following information. ·

1. relevant professional training and experience;
2. principal profession during the past 10 years, along with the name and address of the office and the activities of any kind of business occupying more than 10 % of his time;
3. relationships, during the past 10 years, with mining exploration and development companies distributing securities to the public, other than in the normal course of business, giving
 - (a) the name of the company;
 - (b) present status of the company, particularly if the charter has been withdrawn, if the company is inactive, if trading in the securities is prohibited or not and if the securities are listed on a stock exchange;

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(c) *the nature of the relationship, in particular that of underwriter, distributor, promoter, senior executive, employee, advisor giving the precise periods of time involved.*

In the case of a promoter, give details as to his activities, for example, the funds collected, the person responsible for the collection, the time and method of collection the portion of these funds allocated directly to exploration and development.

Item 9: Capital structure

State the share and loan capital of the issuer showing in the case of share capital authorized and issued capital.

Item 10: Payment to promotor

Give particulars of any payments in cash or securities of the issuer made or to be made to a promoter or finder in connection with the proposed distribution.

Item 11: Activities of issuer

Briefly describe the business carried on and intended to be carried on by the issuer and its subsidiaries. The description should only include the actual business and not the powers and objects set out in the incorporating instrument.

Item 12: Properties

In the case of a nature resource company, describe briefly the material properties on which the issuer or a subsidiary has or will have a right of any kind including a lease or an option.

In the case of a manufacturing or service company, describe briefly the principal immoveables of the issuer or its subsidiaries. If any of these immoveables is charged with a real right, so state and give a description.

Item 13: Mineral or oil and gas reserves

In the case of a natural resource company indicate whether any property is without a known body of commercial ore and in the case of an oil and gas company, recoverable reserves of oil and gas.

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Item 14:

Exploration and development work

In the case of a natural resource company give brief particulars of any exploration and development work of the issuer during the past year and the results thereof.

Item 15:

Acquisitions of properties, shares or assets

In the case of a natural resource company give brief particulars of property acquired by the issuer or any subsidiary or associate of the issuer within the previous 3 year, including the name and address of the vendor and the cost or proposed cost thereof and if any such vendor is an insider or promoter of the issuer or an associate of any insider or promoter of the issuer, so state and indicate the nature of the relationship.

In the case of a manufacturing or service company, describe all material acquisitions of shares or assets by the issuer or its subsidiaries during the 3 previous years. Give the name and address of the vendor, the price paid or to be paid by the issuer and the price paid by the vendor. When the latter is or has been an insider or a promoter of the issuer or one of its subsidiaries or an associate of the insider or promoter, explain the relationship.

Item 16:

Promotor

State the name of any person or company who is or has been a promoter of the issuer within the preceding 2 years and, if not disclosed in Items 10 or 15, the nature and amount of any consideration received or to be received by each promoter.

Item 17:

Shares issued for properties, shares or assets

If the acquisition referred to in Item 15 was or is to be paid for by the issuance of securities of the issuer or any subsidiary, give:

(1) the number of securities of the issuer and any subsidiary issued to or to be issued to the vendor as consideration

(2) the number and the percentage of securities of the issuer and any subsidiary owned or to be owned, by the vendor after giving effect to the transaction.

In answering subparagraph 2 do not give the percentage unless it is greater than 5 % of the outstanding securities of the issuer or subsidiary as the case may be.

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If the vendor is a company, give the names and addresses of the insiders of the company.

Item 18: Escrowed shares

Give the number, and if more than 5 %, the percentage of voting securities of the issuer held in escrow. Give the name of the depository and the conditions pursuant to which an owner may liberate them.

Item 19: Principal security holders

Give the number of voting securities held by each security holder who holds more than 5 % of the securities of the issuer. If the securities are registered in the name of a person other than the owner give his name. The information required must be as at a date not more than 30 days prior to the date of the prospectus.

Item 20: Legal proceedings

Give a brief statement of any material legal proceedings to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such potential proceedings.

Item 21: Remuneration of senior executives and insiders

Give the information required by Item 22 of Schedule 1. In the case of other insiders, give aggregate amount of remuneration paid during each financial year in question. In the case of a remuneration paid otherwise than in cash, give the value or, if it is not possible, give a description.

Item 22: Options, rights and warrants

Give the information required by Item 24 of Schedule I.

Item 23: Indebtedness of senior executives

Give the information required by Item 23 of Schedule I.

Item 24: Interest of senior executives and others in material transactions

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Give the information required by Item 29 of Schedule I.

Item 25:

Subsidiaries and participation

Give the information requirement by Item 27 of Schedule I.

Item 26:

Prior distributions

State the prices at which securities of the issuer have been issued for cash or traded within the 12 months immediately preceding the date of the prospectus. Give the number of securities distributed at each of the prices indicated. Give the price range and the number of securities traded in each month of the previously mentioned period. If any securities have been issued for services, state the nature and value of the services and give the name and address of the person or company who received the securities.

Item 27:

Material contracts

Give the dates of and parties to and the general nature of every material contract entered into by the issuer or any subsidiary within the 2 years preceding the date of the prospectus which is still in effect and is not disclosed in one of the foregoing Items.

Item 28:

Other material facts

Give particulars of any other material facts likely to affect the value or market price of the securities proposed to be issued.

O.C. 660-83, Sch. III; O.C. 1263-85, s. 84 and 85; O.C. 697-87, s. 38 and 39.

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SCHEDULE IV SIMPLIFIED PROSPECTUS

A reporting issuer that meets the conditions prescribed by section 18 of the Act is only required to present the information indicated in Part A in as much as it also meets the conditions prescribed by paragraphs 1 and 2 of section 160 or section 161 or 162 of the Regulation; otherwise, it must also present the information required by Part B.

PART A

Item 1: Distribution spread

The information should refer to all the securities for which payment is made in cash and must be presented in tabular form on the first page of the simplified prospectus.

	<i>Price to public</i>	<i>Dealer's Remuneration</i>	<i>Net proceeds of distribution</i>
<i>Per unit Total</i>			

Item 2: Issuer's corporate name

State the issuer's corporate name, the address of its head office and that of its principal place of business.

Item 3: Summary description of the issuer's activities

Give a brief summary of the present and planned activities of the issuer and its subsidiaries.

Item 4: Capital structure

Where there is a material change in the share capital structure and the consolidated loan capital of the issuer since the date of the most recent annual financial statements filed with the Commission, describe the change and its results.

Item 5: Use of the net proceeds of the distribution

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Indicate the net proceeds that the issuer expects to obtain from distribution of the securities issued, the principal uses planned for the money and the sums set aside for each of those uses.

Item 6:

Method of distribution

1. *In the case of a distribution carried out by a dealer who underwrites or agrees to underwrite all or part of the issue, give the name of the dealer and describe his commitments respecting the taking of delivery and payment for the securities, including information on any market-out clause and indicate the date on which the dealer must underwrite the securities.*

2. *Describe briefly any other method of distribution, in the case of a best efforts distribution, indicate as far as possible the minimum and maximum sums to be raised, and the latest possible date for ending the distribution. In the case of a best efforts distribution containing a minimum sum to be raised, the proceeds of the distribution must be deposited with a person approved by the Commission who agrees to remit them to the subscribers if the minimum is not reached.*

3. *A dealer who intends to carry out transactions intended to fix or stabilize the market price of a security must make the following declaration in the prospectus:*

“The firm underwriters may over allot or effect transactions intended to fix or stabilize the market price of the security at a higher level than the market price that would exist in a free market. Such transactions may be begun or interrupted at any time during the distribution.”

Item 7:

Market for trading in securities

Identify on the first page, if applicable, the stock exchange or exchanges on which the securities offered are traded.

Item 8:

Asset and earnings coverage

A simplified prospectus dealing with debt securities maturing in more than one year or with preferred shares must indicate the asset and earnings coverage.

Item 9:

Details concerning the distribution

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1. Where shares are issued, describe the shares offered, giving the following information: -

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

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

3. In the case of restricted shares, comply with the policy statements of the Commission.

4. If bonds are being offered, give a brief summary of the material attributes and characteristics of the indebtedness and the security therefor including:

- (1) provisions with respect to interest rate, maturity, redemption or other retirement sinking fund and conversion rights;
- (2) the nature and priority of any security for the obligations, briefly identifying the principal properties forming the security;
- (3) provisions permitting or restricting the issuance of securities, the incurring of additional indebtedness and other material negative covenants (including restrictions against payment of dividends, restrictions against giving security on the assets of the issuer or its subsidiaries and the like) and provisions as to the release or substitution of assets securing the obligations or the modification of the terms of the security;

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

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

5. If securities other than shares or obligations are being offered, outline briefly the rights evidenced thereby.

Item 9.1 Engineering report

In the case of a natural resource company, where a significant portion of the proceeds of an issue is to be expended on a particular property, the simplified prospectus of an issuer who fulfills the conditions of paragraphs 1 and 2 of section 160 or of section 161 or 162 must refer to the report prescribed by section 91 whereby the simplified prospectus of an issuer who does not fulfill these conditions must contain a summary of the report. In both cases, the simplified prospectus must mention that the report is on public file with the Commission.

Item 10: Other material facts

Give the details of any other material facts likely to affect the value or the market price of the securities proposed to be offered.

Item 11: Integration of the information documents

The prospectus must contain the statement prescribed by section 59.1 of the regulation.

PART B

Item 12: Market for trading in the securities

When applicable, instead of the information prescribed in Item 7 of this Schedule, present that prescribed by Item 3 of Schedule I.

Item 13: Risk factors

Present the information prescribed by Item 10 of Schedule I.

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Item 14: Promoter

Present the information prescribed by Item 15 of Schedule I.

Item 15: Litigation in progress

Present the information prescribed by Item 16 of Schedule I.

Item 16: Options, rights and warrants

Present the information prescribed by Item 24 of Schedule I.

Item 17: Shares in escrow

Present the information prescribed by Item 25 of Schedule I.

Item 18: Principal financial information

1. *Give the following consolidated financial information:*

(1) *for each of the last 5 financial years of the reporting issuer:*

(a) *net sales or total revenues;*

(b) *profits or losses without taking into account extraordinary items, total and per share;*

(c) *total assets;*

(d) *the total amount of long-term debt and that of redeemable preferred shares;*

(e) *dividends per share;*

(f) *net earnings (total and per share);*

(2) *for the last 8 quarters:*

the information in subparagraphs a, b and f of paragraph 1.

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2. Briefly describe factors such as a change in accounting policies, the combination of 2 or more activities or the disposition of a part of the assets of the reporting issuer which have a significant effect on the appreciation of this information.

O.C. 660-83, Sch. IV; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 86 to 88; O.C. 697-87, s. 40.

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SCHEDULE V **SIMPLIFIED PROSPECTUS FOR AN INCORPORATED MUTUAL FUND OR AN UNINCORPORATED MUTUAL FUND**

Item 1:

Statement on the first page or on the cover

The simplified prospectus must contain, on the first page or on the cover page, the statement prescribed by section 65.

Item 2:

Introductory Statement

The simplified prospectus must contain on the first page the following notice:

“This simplified prospectus is a concise outline of the relevant information about the issuer which you should know before making a decision to purchase its securities. The issuer is required by law to fully disclose additional facts related to this information in an annual information form, financial statements and other material documents filed with securities regulatory authorities in each Province where the issuer’s securities are offered, which documents collectively are known as the issuer’s permanent information record.

Securities laws in Canada establish certain security holder rights which are described in this simplified prospectus. These rights are based in part on other disclosures of the issuer found in the annual information form which is incorporated into this simplified prospectus by reference, as well as upon disclosure contained in this simplified prospectus. All of these rights are available to you even though you receive only this simplified prospectus and accompanying financial statements.

The documents currently in the permanent information record may be obtained by you through your dealer or from the issuer at the following address:_____”

Item 3:

Name and Formation of Issuer

State the full name of the issuer and the address of its head office. State the laws under which the issuer was formed and the manner and date of formation. If the issuer’s name was changed during the past 12 months, state its former name and the date on which it was changed. State the name and address of the promoter, if any.

Item 4:

Description of Business

Briefly describe the business of the issuer.

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Item 5: Risk Factors

(1) Where appropriate to a clear understanding by investors of the risk factors and speculative nature of the enterprise or of the securities being offered, an introductory statement shall be made on the first page summarizing the factors which make the purchase a risk or speculation. The information may be given in the body of the simplified prospectus if an appropriate reference is made on the first page to the risks and the speculative or promotional nature of the enterprise and a cross reference is made to the place in the simplified prospectus where the information is contained.

(2) Where there is a risk that purchasers of the securities offered may become liable to make an additional contribution beyond the price of the security, disclose any information or facts that may bear on the security holder's assessment of risks associated with the investment.

Item 6: Description of Securities Offered

(1) Describe the shares or units offered and, without limiting the generality of the foregoing, furnish the following information:

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

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

Instructions

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1. This item requires only a brief summary of the provisions that are material from an investment stand- point. The provisions attaching to the shares or units may be entered in the permanent information record.

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

Item 7:

Price of Securities on Sale or Redemption

(1) Describe briefly the method followed or to be followed by the issuer in determining the price at which its securities will be offered for sale and redeemed and state the frequency with which the net asset value is determined and the time when the price becomes effective.

(2) State, where applicable, the sales charge expressed as a percentage of the total amount paid by the purchaser and as a percentage of the net amount invested in securities of the issuer. Where these charges vary on a quantity basis give particulars of the quantities and the respective sales charges applicable thereto.

(3) Describe briefly the procedure followed or to be followed by the purchaser for securities on sale or redemption, including any special purchase plans which may exist and any penalty for early redemption. State, where applicable, any redemption charge expressed as a percentage of the redemption price on a quantity basis, give particulars of the quantities and the respective redemption charges applicable thereto.

(4) Describe briefly any specific right or requirement to reinvest the proceeds of dividends or similar distributions in the issuer's securities.

(5) Refer the purchaser to the annual information form for a detailed statement of the information required in this item.

Item 8:

Method of Distribution

Outline briefly the method of distribution of the securities being offered. If sales are to be effected through a person or company (the "contractual distributor") pursuant to an arrangement with the issuer, give brief details of any arrangements with the

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contractual distributor (see Item 9) and state whether the issuer intends to distribute its securities through other distributors.

Instructions

1. *If the securities are being offered by way of a contractual plan, give the main particulars of the contractual plan, including:*

- (1) minimum initial investment;*
- (2) subsequent minimum investment;*
- (3) sales charge deductions from such minimum investments;*
- (4) sales charges as a percentage of the amount paid by the purchaser and as a percentage of the net amount invested in securities of the issuer;*
- (5) the total amount invested contrasted to the amount paid by the purchaser.*

2. *As used in this item, "sales charge" includes all service charges including charges related to the establishment of a contractual plan and its continuing administration and maintenance.*

Item 9:

Responsibility for Principal Functions

(1) Give a concise statement of the manner in which the following functions of the issuer are performed and who is responsible therefor, stating how such functions are co-ordinated and, to the extent that any such functions are not performed by bona fide employees of the issuer, the names and addresses of the persons or companies responsible for performing such functions:

- (1) management of the issuer other than management of the investment portfolio;*
- (2) management of the investment portfolio;*
- (3) providing investment analysis;*
- (4) providing investment recommendations;*
- (5) making investment decisions;*
- (6) purchase and sale of the investment portfolio and brokerage arrangements relating thereto ;*

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(7) *distribution of the securities offered.*

(2) *Refer the purchaser to the annual information form for greater detail regarding the purchase and sale of the investment portfolio and brokerage arrangements relating thereto.*

(3) *Indicate the circumstances under which the management agreement may be terminated.*

(4) *Indicate any situation of conflict of interest or potential conflict of interest for the issuer and the persons or companies named in answer to paragraph (1).*

Instructions

1. *The address given may be the municipality of residence or a postal address, however the Commission may request that the home address in full be furnished to it.*

2. *In giving information regarding distribution of securities the name and address of only the contractual distributor need be given.*

3. *If one or more persons or companies perform more than one of the functions referred to in this Item, so state, giving details of all functions so performed.*

Item 10: Management Fees

(1) *Indicate the method of determining the amount of management fees charged to the issuer and, distinguishing between those charged directly to security holders, other expenses, if any, and make a cross reference to the financial statements for details as to the amount of management fees and other expenses, if any, which have been charged to the issuer.*

(2) *Set out in tabular form in the simplified prospectus or by way of note to the financial statements, a record of management expense ratio comprising the aggregate of all fees and other expenses paid or payable by the issuer during each of the last five completed financial years as a percentage of average net assets under administration during each of those financial years. Such disclosure should also include a brief description of the method of calculating the percentage and a statement that the management expense ratio may vary from one mutual fund to another.*

Instructions

1. *Where management fees are changed or it is proposed to change them and where such change would have had an effect on the management expense ratio for*

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the most recent financial year if the change had been in effect throughout that year, the effect of such change should be disclosed.

2. Where the financial year is other than a full year, the management expense ratio should be annualized, the period covered specified and a statement made that the management expense ratio is annualized.

3. For purposes of this item, "average net assets" should be calculated to be the average of the net assets at each valuation date of the issuer. The term "other expenses" means all other expenses incurred in the course of ordinary business relating to the organization, management and operation of the issuer with the exception of the commissions and brokerage fees on the purchase and sale of portfolio securities and taxes of all kinds, other than penalties, to which the issuer is subject.

4. Where an issuer invests in another mutual fund, the management expense ratio shall be calculated on the basis of those assets of the issuer on which a management fee is charged.

5. The financial statements should set out in appropriate detail the amounts of the management fee and other expenses, if any, which have been charged to the issuer.

6. The basis or rates of charges levied against security holders, rather than the issuer, for special services such as trustee fees for registered retirement savings plans, redemption fees, transfer fees between related mutual funds or any other specific charges to a class of investors, should be disclosed separately in a single table in the body of the simplified prospectus or as a note to the financial statements and should not be included as part of the management expense ratio.

Item 11: Investment Objectives and Practices

(1) Precisely state the investment objectives of the issuer.

(2) Refer the purchaser to the annual information form for information concerning restrictions on investment practices of the issuer in pursuing its objectives.

Instructions

Aims such as long-term capital appreciation or current income and the types of securities in which the issuer will invest should be described.

Item 12: Dividends or Distributions

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Indicate, by way of note to the financial statements the amount of dividends or other distributions per share or unit paid by the issuer including income allocated to security holders by way of dividend reinvestment or otherwise during the latest financial year and each of the previous 5 completed financial years.

Instructions

Dividends should be set out on a per security basis, shown separately for each class of security in respect of each of the financial years. Appropriate adjustments should be made to reflect changes in capitalization during the period.

Item 13: Tax Status of Security Holders

State in general terms the income tax consequences to the holders of the securities offered of:

- (1) any distribution to such holders in the form of dividends or otherwise including amounts reinvested;*
- (2) redemption of securities;*
- (3) sale of securities;*
- (4) transfers between mutual funds.*

Item 14: Legal Proceedings

Describe briefly any legal proceedings material to the issuer, to which the issuer is a party or of which any of its property is the subject.

Instructions

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

Item 15: Other Material Facts

Give particulars of any other material facts relating to the securities proposed to be offered which are not contained in the annual information form.

Item 16: Auditors, Transfer Agent and Registrar

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(1) State the name and address of the issuer's auditor.

(2) State the name of the issuer's transfer agent and registrar and the cities in which the registers of transfer of securities of the issuer are kept.

Item 17: Statutory Rights

Include the following statement in the simplified prospectus.

"Securities legislation in certain of the provinces provides purchasers with the right to withdraw from an agreement to purchase mutual fund shares or units within 2 business days after receipt of a simplified prospectus. If the agreement is to purchase such securities under a contractual plan, the time period during which withdrawal may be made may be longer.

In several of the provinces and territories securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the simplified prospectus and any amendment contain a misrepresentation or is not delivered to the purchaser but such remedies must be exercised by the purchaser within the time limit prescribed by the securities legislation of his province or territory. The purchaser should refer to any applicable provisions of the securities legislation of his province or territory for the particulars of these rights or consult with a legal adviser."

O.C. 660-83, Sch. V; O.C. 1263-85, s. 89; O.C. 697-87, s. 43.

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SCHEDULE VI OFFERING MEMORANDUM (SMALL BUSINESS)

Item 1: Warning

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

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

Item 2: Distribution spread

The information called for concerning the distribution spread must be given, in tabular form, on the first page of the offering memorandum.

DISTRIBUTION SPREAD

	Price to public	Dealers remuneration	Net proceeds of distribution
Per unit			
Total			

Instructions

1. Any consideration other than a discount or a commission in cash must be set forth in a note following the table.
2. The table should set out separately those securities which are firmly underwritten or purchased, those under option and those to be sold on a "best efforts" basis.
3. If it is impracticable to state the offering price, the method by which it is to be determined shall be explained. If the securities are to be offered at the market, indicate the market involved and the market price as of the latest practicable date.
4. If debt securities are to be offered at a premium or a discount, state in bold face type the effective yield if held to maturity.
5. Where the securities are distributed by the issuer, indicate in a note that no remuneration is paid to senior executives or the employees for the distribution. In such case, the column "Dealers remuneration" does not have to be completed.

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Item 3:

Market for securities

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

"There is no market through which these securities may be sold". Disclose how the price paid to the company was established, whether by negotiation with the underwriter, arbitrarily by the company, or otherwise.

Item 4:

Plan of distribution

1. If all or part of the securities being offered are to be sold through underwriters, give the names of the underwriters. State briefly the nature of the underwriters' obligation to take up and pay for the securities. Indicate the date by which the underwriters are to purchase the securities.

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

Instructions

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

2. Where an underwriting is subject to a "market out" clause, a statement in the prospectus under Plan of Distribution should be made with respect to the "market out" clause. The statement may be in the following form:

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

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3. Where an agreement has been made with a guarantor to provide a guarantee that all the securities will be taken up, it should be declared. The declaration may be in the following form:

“Under an agreement dated _____ between the company and _____ as guarantor, the company has agreed to issue and the guarantor has agreed to purchase on _____ all the securities that have not been distributed at that date. The guarantor is obligated to take up and pay for all the _____.”

Item 5: 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 5.1 Dilution

Set out on the first page, if any, the dilution of the securities offered, based on net tangible assets including the distribution. This information may be given in the body of the offering memorandum if an appropriate reference is made on the first page. The information must be presented in accordance with the following table.

Dilution per share

Offering price			\$
Net tangible book value before distribution	_____	\$	
Increase of net tangible book value attributable to the distribution		\$	
Net tangible book value after the distribution	_____		\$
Dilution to subscriber		_____	\$
Percentage of dilution in relation to the offering price		_____	%

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Instructions

1. The issuer may omit the information prescribed by this item where it considers such information to be of no value.

2. In the calculation of the net tangible book value after the offering, the remuneration of the underwriter and the cost of distribution are to be deducted .

Item 6:

Name and incorporation of issuer

State the full corporate name of the issuer, the address of its head office, the law under which the issuer was incorporated and the date of incorporation. If material state whether the deed of incorporation has been amended.

Item 7:

Operations of the issuer

Briefly describe the business carried on and intended to be carried on by the issuer and its subsidiaries and the general development of the business within the 3 preceding years. If the business consists of the production or distribution of products or the rendering of services, indicate the principal products or services.

Instructions

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

2. In the general description concerning the issuer and its subsidiaries, provide information about matters such as the following:

- (1) the nature of any bankruptcy, sequestration or similar proceedings;
- (2) material reorganization;
- (3) the acquisition or disposition of any material assets otherwise than in the ordinary course of business;
- (4) any material changes in the types of products produced or services rendered;
- (5) any material changes in the mode of conducting the business of the issuer or its subsidiaries.

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Item 8:

Capital structure

Furnish in tabular form, or where appropriate in notes thereto:

(1) particulars of the share and loan capital of the issuer or of the capital stock in the case of a cooperative within the meaning of the Cooperatives Act (1982, c. 26);

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

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

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

CAPITAL STRUCTURE

Designation of security	Amount authorized or to be authorized	Amount outstanding as of the date of the most recent balance sheet	Amount outstanding as of a specific date within 60 days	Amount to be outstanding if all securities being issued are sold
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Instructions

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

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

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

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

5. Where applicable, state in general terms the respective priorities of the indebtedness shown in the table.

6. The information to be given under Column 2 need not include that relating to the common and preference shares of subsidiaries.

7. Notes should be attached to the table stating:

(1) the amount of the contributed surplus and the undistributed earnings according to the most recent balance sheet contained in the prospectus;

(2) the number of shares reserved for the exercise of rights, options and warrants.

8. The 60 days period referred to in Column 4 is to be calculated in terms of the date of the preliminary prospectus or the date of the draft prospectus. Where more than 60 days have elapsed from the date of the issuance of a receipt for the preliminary or draft prospectus, the information included in the prospectus shall, if feasible, be updated to a date within 60 days of the prospectus.

Item 9: Senior executives

List the names and addresses of all senior executives of the issuer and indicate all positions and offices with the issuer held by each person named, and the principal occupations within the 5 preceding years, of each senior executives. Solely the place of residence or the postal address may be given, but the Commission may require the complete address.

Instructions

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

Item 10: Executive Remuneration

1. Scope of application

The information to be provided relates to the company's executive officers: chairman and vice-chairmen of the Board if they perform their functions on a full time

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basis, president, vice-presidents in charge of principal business units, divisions or functions (sales, finance, etc.) and any other officer of the issuer or of a subsidiary who performs a policy-making function in respect of the issuer.

Remuneration of directors, who are not also executive officers, is taken into account only as provided in paragraph 6.

2. Cash remuneration

(1) State the aggregate cash remuneration paid to executive officers by the issuer and its subsidiaries for services rendered during the last financial year.

Cash remuneration includes in particular salaries, director's fees, commissions and bonuses. This information may be broken down into those categories.

The information may be presented in accordance with the following table:

CASH REMUNERATION TABLE

Number	Amount
Executive officers _____	Cash Remuneration _____ \$

(2) In addition to amounts actually paid during and for the last financial year, cash remuneration includes:

(a) bonuses to be paid for services rendered during the last financial year unless such amounts have not yet been allocated;

(b) bonuses paid during the last financial year, for services rendered in a previous financial year, less any amount already disclosed;

(c) any remuneration earned during the last financial year the cash payment of which is deferred.

(3) Remuneration, for a period during which a person included in the group was not then an executive officer, shall not be included.

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.

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(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 c 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.

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(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.

4. Other remuneration

Describe any other remuneration not covered in the cash or plans remuneration sections, and in particular, personal benefits, securities or property paid or distributed other than pursuant to a plan, inasmuch as it is not offered, on the same terms, to all full time employees other than those covered by collective agreements.

The value to be given for such remuneration shall be the issuer's and subsidiaries' aggregate incremental cost.

However, when the aggregate value of other remuneration does not exceed the lesser of 10 000 \$ times the number of persons in the group or 10% of the cash remuneration reported pursuant to section 2, it is necessary to declare that fact only.

In the case of an issuer meeting the requirements of section 160 of the Regulation, the 10 000 \$ threshold is raised to 25 000 \$.

5. Termination of employment or change of control

Describe any plan or arrangement in respect of compensation received or that may be received by executive officers in the last financial year in view of compensating such officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of an executive officer the value of such compensation exceeds 60 000 \$

6. Remuneration of directors

(1) Describe any standard arrangement, stating amounts, pursuant to which directors are remunerated for their services in their capacity as director, including any additional amounts payable for committee participation or special assignments.

(2) Describe any other arrangements, stating amounts, in addition or in lieu of any standard arrangement, pursuant to which directors were remunerated during the last financial year.

Where compensation is in non-cash form, state the value of the benefit conferred, or if it is not possible to state the value, describe the benefit conferred.

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7. Special provisions concerning unincorporated issuers

Unincorporated issuers must report:

(a) *the aggregate amount of fees paid to individuals acting as directors or trustees in respect of each of the financial years reported upon;*

(b) *the aggregate amount of expenses reimbursed to directors or trustees in respect of the fulfillment of their duties as directors or trustees.*

Where compensation is in non-cash form, state the value of the benefit conferred, or if it is not possible to state the value, describe the benefit conferred.

The information required by this section may be disclosed in the annual financial statements.

Item 11:

Indebtedness of senior executives

Disclose any information regarding the indebtedness of each senior executive of the company, nominee for the position of director, or a person associated with such director, officer or nominee, to the extent that it is not routine indebtedness.

Instructions

1. *State the name and address of each person who received such a loan. Solely the place of residence or postal address may be given.*

2. *State the largest aggregate amount of indebtedness outstanding towards the issuer and its subsidiaries by each of such persons at any time during the last financial year, the nature of the indebtedness and the transaction in which it was issued, the balance outstanding and the rate of interest.*

3. *“Routine indebtedness” means:*

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

(2) *a loan made to a full-time senior executive of the issuer, provided that the amount of the loan is less than his annual salary and is fully secured by a hypothec on his residence;*

(3) *a loan made to a senior executive who is not employed on a full-time basis by the issuer or to a person associated with him, provided that the making of the loan is part of the ordinary business of the issuer, that the loan is granted on the same terms as to customers, that it does not involve an unusual risk of collectibility and*

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does not exceed the greater of 200 000 \$ or 5 % of the shareholders equity for the aggregate of the loans made;

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

Item 12:

Options, rights and warrants

Furnish information as to options, rights and warrants, other than those issued to all securities holders of the same class residing in Canada on an equal basis, issued or proposed to be issued by the issuer or its subsidiaries to each of the following groups of persons:

- (1) senior executives of the issuer with the exception of those who act only as directors;
- (2) members of the board of directors of the issuer with the exception of those name in subparagraph 1;
- (3) the senior executives of any subsidiary of the issuer;
- (4) employees of the issuer, except those referred to in subparagraph 1;
- (5) employees of any subsidiary of the issuer;
- (6) any other persons.

Instructions

1. Give the number of persons for the groups referred to in subparagraphs 1 to 5. In the case of the group referred to in subparagraph 6, give the name of the persons.

2. The information requested must be given within 30 days before the date of the preliminary prospectus or the draft prospectus.

3. Give a brief description which includes:

- (1) the designation and number of the securities to which are attached options, rights or warrants;
- (2) the purchase or exercise price and the expiration date;

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(3) *if reasonably ascertainable, the market value of the securities to which are attached options, rights or warrants on the date it was granted;*

(4) *the market value of the securities to which are attached options, rights or warrants at the date specified in paragraph 2 of the instructions.*

4. *An option, right or warrant whose term is extended is deemed to be a new option, right or warrant.*

5. *Where there is no market for the securities to which the options, rights or warrants are attached, indicate the method of determining the price of such securities at the date of purchase or exercise.*

6. *This item does not apply to options granted to a firm underwriter.*

7. *The information prescribed by this item may be submitted in tabular form.*

Item 13:

Use of the net proceeds of the distribution

1. *Indicate the net proceeds that the issuer expects to obtain from the distribution, the principal uses planned for the money, and the funds assigned for each use.*

2. *Provide the details of any agreement prescribing that any part of the net proceeds will be kept in trust or will only become available when certain conditions are fulfilled.*

Instructions

1. *The information concerning use of the net proceeds must be sufficiently precise. In most cases, it is not sufficient to say that "the proceeds of the distribution will be used for general corporate purpose."*

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 material 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 2 years.*

4. *If a material part of the proceeds of the distribution is used for the acquisition of property, outside the normal course business of the issuer, briefly describe those properties and provide the details of the price paid or attributed for the different*

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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 2 preceding years.

Item 14: Assets and earnings coverage

State the assets and earnings coverage where the prospectus deals with debt securities with maturities of more than one year or with preferred shares.

Item 15: Shares

1. *Describe the shares that are being offered, including the following information:*

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

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

3. *In the case of restricted shares, comply with the policy statements of the Commission.*

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Instructions

1. *This item requires only a brief summary of the provisions that are material from an investment standpoint. Do not set out verbatim the provisions attaching to the shares.*
2. *If the rights attaching to the shares offered are materially limited by those attached to another security or if a security (other than obligations covered in Item 16) ranks ahead of or equally with the shares being offered, include information regarding such other securities that will enable investors to understand the rights attaching to the shares being offered. If any shares being offered are to be offered in exchange for other securities, an appropriate description of the other securities shall be given. No information need be given, however, as to any class of securities that is to be redeemed or otherwise retired, provided appropriate steps to assure redemption or retirement have been or will be taken prior to or contemporaneously with the delivery of the shares being offered.*
3. *The text of the clauses applying to the shares may be given in a schedule to the prospectus.*
4. *The issuer does not need to state that the securities offered may not be deposited in response to a take-over bid where its incorporating documents contain provisions respecting the convertibility of its non-voting or limited voting shares at the time of a take-over bid.*

Item 16: Obligations

Describe the obligations offered and the security therefor providing the following information:

- (1) *the interest rate, maturity, redemption or any other method of retirement, sinking fund and conversion rights;*
- (2) *the nature and rank of any security, with identifying the principal properties given as security;*
- (3) *provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions respecting dividend distribution or the giving of security on the assets of the issuer or its subsidiaries, and provisions as to the release or substitution of assets given as security or the modification of the terms of such security;*
- (4) *the name of the trustee appointed in any trust deed relating to the obligations and the nature of any material relationship between the trustee of the issuer or any of its subsidiaries;*

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(5) any agreement between the issuer and its affiliates or between affiliates that could affect the security for the indebtedness. .

Instructions

Follow the instructions of Item 15, mutatis mutandis.

Item 17:

Other securities

In the case of securities other than shares or obligations, indicate briefly the rights attached thereto. In the case of rights and warrants, provide the description and the value of the securities referred to, the period during which they may be exercised, the price and the principal modes of exercise.

Instructions

Follow the instructions of Item 15, mutatis mutandis.

Item 18:

Principal holders of securities

1. For each class of voting securities of the issuer, a subsidiary or an affiliate give the number of securities held by each holder that owns more than 10% of the securities in that class. If the securities are registered in the name of a person other than the owner, state that person's name. Give the names and addresses of the holders of securities and the percentage of securities held in each class.

PRINCIPAL HOLDERS OF SECURITIES

Name and address of holder	Class of security	Number of securities	Percentage in relation to securities in that class
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2. Show, for each class of voting securities of the issuer, of the company controlling it or a subsidiary of the issuer, the percentage of securities held by the senior executives.

SECURITIES HELD BY SENIOR EXECUTIVES

Class of security	Percentage in relation to the securities of the class
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3. If voting securities are being offered in connection with, or pursuant to, subscription plan, an amalgamation or a reorganization, indicate, as far as practicable, the percentage of securities for each class of security that will be held by the principal holders following the transaction.

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4. If any of the securities are to be distributed for the account of a security holder, name such security holder, and state the number or the value of the securities that he holds the number or amount to be distributed for his account and the number or amount to be owned by him after the offering.

Instructions

1. The information required by paragraphs 1 and 2 must be provided not more than 30 days before the date of the preliminary prospectus or the pro forma prospectus.

2. Where a company holds more than 10 % of the securities of a class, the Commission may require that the name of every holder of more than 10 % of any class of voting securities of that company be furnished.

3. If, to the knowledge of the issuer or the distributor, more than 10 % of any class of voting securities are subject to a voting trust agreement or other similar agreement, provide the description of that class, the number of or the value of the securities held on to be held and the term of the agreement. Give the name and address of the trustees and describe briefly their voting rights and the other powers under by the agreement.

4. Where a person mentioned in answer to paragraph 1 is an associate of another person mentioned in the prospectus, disclose the nature of the relationship.

Item 19:

Interest of senior executives other in material transactions

Describe briefly any material interest of any of the following persons in any transaction within the 3 years preceding the date of the preliminary prospectus or the draft prospectus or in any proposed transaction that has materially affected or will materially affect the issuer or any of its subsidiaries:

- (1) any senior executive of the issuer;
- (2) a holder referred to in paragraph 1 of Item 18;
- (3) a person who is an affiliate or an associate of one of the persons referred to in paragraphs 1 and 2.

Instructions

1. Give a brief description of the material transaction. Indicate the name and the address of each interested person and his relationship with the issuer.

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2. Where there is a purchase or a sale of assets by the issuer or any of its subsidiaries, state the purchase price and the price paid by the vendor where the latter acquired them during the last 2 years preceding the transaction.

3. This item applies to interests held in the ownership of securities of the issuer solely where the holder receives a benefit that is not granted on the same terms to the other holders of the same class of securities.

4. Where one of the persons referred to by this item is a dealer, or an affiliate or associate of a dealer, provide information about any material commission or discount granted by the issuer for the distribution.

5. The information prescribed in this item is not required in the following cases:

(1) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(2) the interest of a specified person in the transaction is solely that of director of a company that is a party to the transaction;

(3) the transaction involves services as a bank or other depository of funds, transfer agent, registrar, trustee under a trust deed or other similar services;

(4) the interest of a specified person, including all periodic installments in the case of any lease or other agreement providing for periodic payments or installments, does not exceed 50 000 \$; or

(5) the transaction does not involve remuneration for services, provided

(a) the interest of a specified person arose from the beneficial ownership, direct or indirect, of less than 10 % of any class of voting securities of another company that is a party to the transaction;

(b) the transaction is in the ordinary course of business of the issuer or of its subsidiaries;

(c) the transaction amounts to less than 10 % of the aggregate of the sales or purchases of the issuer and its subsidiaries during the last financial year.

6. Information need not be furnished in answer to this item by persons who have an interest in transactions that involve remuneration if that person owns less than 10 % of any class of voting securities of a company that is a party to the transaction.

Item 20:

Auditors, transfer agents and registrars

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1. State the name and address of the auditor.
2. In the case of a share distribution, provide the names of the transfer agent and the registrar of the issuer and indicate the city in which the registers of transfer of each class of shares are kept.
3. Name the city where the registers of transfer of the issuer's securities are kept.

Item 21: Financial statements and auditor's report

The offering memorandum must present the financial statements and the auditor's report prescribed by Division II of Chapter I of Title II, however, with respect to preceding financial years, only the statements of the last 2 years are required.

Item 22: Other material facts

State any other material fact that is likely to affect the value or the market price of the securities being distributed.

Item 23: Signatures

The offering memorandum must be signed by 2 senior executives of the issuer and by the promoter. It must also be signed by the dealer if he distributes the securities.

Item 24: Civil liability

The offering memorandum must contain the following statement:

"The securities Act provides purchasers with remedies for rescission or, in certain cases, damages where the offering memorandum contains a misrepresentation. However, these remedies must be exercised within the time limit prescribed. The purchaser should refer to the applicable provisions and eventually consult with a legal adviser."

O.C. 660-83, Sch. VI; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 90 to 96 and 98 to 101; O.C. 1263-85, s. 97; O.C. 697-87, s. 44 and 45; O.C. 977-88, s. 31.

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**SCHEDULE VII
(REPEALED)**

O.C. 660-83, Sch. VII; O.C. 1263-85, s. 102; O.C. 977-88, s. 32.

**SCHEDULE VII.1
(REPEALED)**

O.C. 1263-85, s. 103; O.C. 697-87, s. 46; O.C. 977-88, s. 32.

**SCHEDULE VII.2
(REPEALED)**

O.C. 697-87, s. 47; O.C. 977-88, s. 32.

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SCHEDULE VIII INFORMATION CIRCULAR - SOLICITATION OF PROXIES

When there is no solicitation, make the necessary adaptations.

Item 1: Right of revocation

State whether the security holder giving the mandate has the power to revoke the proxy.

Briefly describe the terms and conditions of revocation and any limitation which the right may include.

Item 2: Identification of the person making the solicitation

1. If solicitation is made on behalf of the management of the reporting issuer, so state. Give the name of any director of the reporting issuer who has informed the management in writing that he intends to oppose any action intended to be taken by the management and indicate the action that he intends to oppose.

2. If a solicitation is made otherwise than on behalf of the management of the reporting issuer, so state and give the name of the person on whose behalf it is made.

3. If the solicitation is to be made otherwise than by mail, describe the method to be employed.

4. If the solicitation is to be made by specially engaged employees or soliciting agents, state the material elements of the contract for the solicitation and identify the parties to the contract, and the cost or anticipated cost thereof.

5. State the name of the person by whom the cost of soliciting has been or will be borne.

Item 3: Interest of certain persons in matters to be acted upon

Describe briefly the interest which each of the following persons has in any matter to be acted upon, other than the election of directors or the appointment of auditors, whether such interest is by way of beneficial ownership of securities or otherwise:

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(1) if the solicitation is made on behalf of the management of the reporting issuer, each person who has been a senior executive of the reporting issuer at any time since the beginning of the last financial year of the reporting issuer;

(2) if the solicitation is made otherwise than on behalf of the management of the reporting issuer, each person on whose behalf the solicitation is made;

(3) each proposed nominee for election as a director of the reporting issuer;

(4) each associate or affiliate of any of the foregoing persons referred to in subparagraphs 1 to 3.

Instructions

1. The following persons shall be deemed to be persons on whose behalf the solicitation is made:

(1) any member of a group that solicits proxies, and any person who acting alone or with one or more other persons, engages in organizing, directing or financing any such group;

(2) any person who contributes more than 250\$ to finance the solicitations of proxies;

(3) any person who lends money, provides credit or enters into any other arrangements, pursuant to any contract with a person on whose behalf a solicitation is made, for the purpose of financing the solicitation or making certain recommendations respecting securities or voting of securities of the reporting issuer. However, this provision does not include a bank or other lending institution or a dealer that, in the ordinary course of business, lends money or executes orders for the purchase or sale of securities.

2. The following persons shall be deemed not to be persons on whose behalf a solicitation is made, unless they are referred to in subparagraph 1 of the instructions:

(1) any person employed by a person on whose behalf a solicitation is made to solicit proxies or any person who merely transmits proxy-soliciting material or performs clerical duties;

(2) any person employed by a person on whose behalf a solicitation is made in the capacity of advocate, accountant, or advertising, public relations or financial adviser and whose activities are limited to the performance of his duties;

(3) an officer, or an employee of the reporting issuer or any of its affiliates;

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(4) a senior executive or employee of any other person on whose behalf a solicitation is made.

Item 4:

Voting securities and principal holders of voting securities

1. State as to each class of voting securities, the number of securities outstanding and the particulars of voting rights for each security of each such class.

2. Give the record date as of which the security holders entitled to vote at the meeting will be determined or particulars as to the closing of the security transfer register, as the case may be, and, if the right to vote is not limited to security holders of record as of a specified record date, indicate the conditions under which security holders are entitled to vote.

3. If, to the knowledge of the senior executives of the reporting issuer, any person exercises control or direction over voting securities carrying more than 10 % of the voting rights attached to any class of securities of the reporting issuer, name each such person, state the number of the securities over which control or direction is exercised by each such person and the percentage of the class of outstanding securities of the reporting issuer represented by the number of the class of securities so controlled.

Item 5:

Election of directors

1. Provide the following information, in tabular form, for each person proposed to be nominated for election as a director of the reporting issuer and each other person whose term of office as a director will continue after the meeting:

(1) Name and identify as such each proposed director of the reporting issuer and name each director of the reporting issuer whose term of office has not expired;

(2) State when the term of office for each director and proposed director will expire;

(3) State only the last position held in the reporting issuer, or a parent or subsidiary thereof;

(4) State the present principal occupation and for whom such occupation is carried on.

2. Provide the following additional information for each person proposed to be nominated for election as a director:

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(1) All of the principal occupations of each proposed director within the 5 preceding years, unless he is now a director and was elected to his present term of office by a vote of security holders at a meeting, the notice of which was accompanied by an information circular. Give the name and principal business of any person for whom any such employment is carried on;

(2) If the proposed director is or has been a director of the reporting issuer, state the period or periods during which he has served as such;

(3) State the number of securities of each class of voting securities of the reporting issuer or of any subsidiary of the reporting issuer over which control is exercised;

(4) If any proposed director is to be elected pursuant to any arrangement between the nominee and any other person, except the senior executives of the reporting issuer acting solely in such capacity, name the other person and describe briefly the arrangement.

3. State whether the Board of Directors of the reporting issuer has an executive committee and name those directors who are members of each such committee.

State whether the Board of Directors of the reporting issuer is required to have an audit committee and name those directors who are members of each such committee.

4. If voting securities carrying more than 10 % of the voting rights attached to all voting securities of the reporting issuer or of a subsidiary of the reporting issuer are controlled by any proposed director and his associates or affiliates, state the number of securities of each class of voting securities controlled by the associates or affiliates, naming each associate or affiliate whose security holdings are 10 % or more.

Item 6:

Executive Remuneration

1. Scope of application

The information to be provided relates to the company's executive officers: chairman and vice-chairmen of the Board if they perform their functions on a full time basis, president, vice-presidents in charge of principal business units, divisions or functions (sales, finance, etc.) and any other officer of the issuer or of a subsidiary who performs a policy-making function in respect of the issuer.

Remuneration of directors, who are not also executive officers, is taken into account only as provided in paragraph 6. When no election of directors is contemplated, it is not necessary to give the remuneration.

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2. Cash remuneration

(1) State the aggregate cash remuneration paid to executive officers by the issuer and its subsidiaries for services rendered during the last financial year.

Cash remuneration includes in particular salaries, director's fees, commissions and bonuses. This information may be broken down into those categories.

The information may be presented in accordance with the following table:

CASH REMUNERATION TABLE

Number	Amount
Executive officers _____	Cash Remuneration _____ \$

(2) In addition to amounts actually paid during and for the last financial year, cash remuneration includes:

(a) bonuses to be paid for services rendered during the last financial year unless such amounts have not yet been allocated;

(b) bonuses paid during the last financial year, for services rendered in a previous financial year, less any amount already disclosed;

(c) any remuneration earned during the last financial year the cash payment of which is deferred.

(3) Remuneration for a period during which a person included in the group was not then an executive officer, shall not be included.

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;

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(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 c 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.

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4. Other remuneration

Describe any other remuneration not covered in the cash or plans remuneration sections, and in particular, personal benefits, securities or property paid or distributed other than pursuant to a plan, inasmuch as it is not offered, on the same terms, to all full time employees other than those covered by collective agreements.

The value to be given for such remuneration shall be the issuer's and subsidiaries' aggregate incremental cost.

However, when the aggregate value of other remuneration does not exceed the lesser of 10 000 \$ times the number of persons in the group or 10% of the cash remuneration reported pursuant to section 2, it is necessary to declare that fact only.

In the case of an issuer meeting the requirements of section 160 of the Regulation, the 10 000 \$ threshold is raised to 25 000 \$.

5. Termination of employment or change of control

Describe any plan or arrangement in respect of compensation received or that may be received by executive officers in the last financial year in view of compensating such officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of an executive officer the value of such compensation exceeds 60 000 \$.

6. Remuneration of directors

(1) Describe any standard arrangement, stating amounts, pursuant to which directors are remunerated for their services in their capacity as director, including any additional amounts payable for committee participation or special assignments.

(2) Describe any other arrangements, stating amounts, in addition or in lieu of any standard arrangement, pursuant to which directors were remunerated during the last financial year.

Where compensation is in non-cash form, state the value of the benefit conferred, or if it is not possible to state the value, describe the benefit conferred.

7. Special provisions concerning issuers most of which are unincorporated

Unincorporated issuers must report:

(a) the aggregate amount of fees paid to individuals acting as directors or trustees in respect of each of the financial years reported upon;

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(b) the aggregate amount of expenses reimbursed to directors or trustees in respect of the fulfillment of their duties as directors or trustees.

Where compensation is in non-cash form, state the value of the benefit conferred, or if it is not possible to state the value, describe the benefit conferred.

The information required by this section may be disclosed in the annual financial statements.

The same rules apply to incorporated mutual funds which do not directly employ officers and the business of which is managed by a management company.

Item 7:

Indebtedness of senior executives

1. Disclose any information regarding the indebtedness of each senior executive of the company, of a nominee for the position of director or of a person associated with such senior executive or nominee, to the extent that it is not routine indebtedness.

2. This information need be given only in the circular prepared for the annual meeting.

Instructions

1. State the name and address of each person who received such a loan. Solely the municipality of residence or postal address may be given.

2. State the largest aggregate amount of indebtedness outstanding towards the issuer and its subsidiaries by each such persons at any time during the last financial year, the nature of the indebtedness and the transaction in which it was incurred, the balance thereof presently outstanding, and the rate of interest paid or charged thereon.

3. "Routine indebtedness" means

(1) loans made on equal terms to employees generally and not exceeding 25 000 \$;

(2) a loan made to a senior executive who is a full-time employee of the issuer provided that the loan is less than twice the amount of his salary and is secured by a first mortgage against his principal residence.

(3) a loan made to a senior executive who is not a full-time employee, provided the making of the loan is part of the business of the issuer, is granted on the same conditions as to customers and involves no unusual risk of collectibility;

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

Item 8:

Interest of insiders and other persons in material transactions

Give a brief description of the following persons in any material transaction carried out since the commencement of the last financial year or in any proposed transaction which has materially affected or would materially affect the reporting issuer or any of its subsidiaries:

- (1) *an insider of the reporting issuer;*
- (2) *a proposed nominee for election as a director;*
- (3) *an associate or affiliate of such insider or proposed nominee.*

However, it is not necessary to repeat this information if it has already been given in a proxy circular.

Instructions

1. *Give a brief description of the material transaction. State the name and address of each interested person and his relationship with the reporting issuer. .*

2. *As to any transaction involving the purchase or sale of assets by the reporting issuer or any subsidiary, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost of the assets to the seller if acquired by the seller within 2 years prior to the transaction.*

3. *This item does not apply to any interest arising from the ownership of securities of the reporting issuer where the security holder receives no extra or special benefit or advantage not shared on a prorata basis by all holders of the same class of securities.*

4. *Where one of the persons referred to in this item is an underwriter, an associate or affiliate, include information as to any material underwriting discounts or commissions upon the sale of securities by the reporting issuer.*

5. *No information need be given in answer to this item as to any transaction or any interest therein where:*

(1) *the rates or charges involved in the transaction are fixed by law or determined by competitive bids;*

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(2) the interest of the specified person in the transaction is solely that of a director of another company that is a party to the transaction;

(3) the interest of the specified person involves services as a chartered bank or other depository of funds, transfer agent, registrar, trustee under a trust deed or other similar services;

(4) the interest in the transaction of the specified person must not be for more than 50 000 \$, taking into account any periodic instalment provided for in the contract, for example in the case of a lease;

(5) the transaction does not involve remuneration for services, provided the following conditions are met:

(a) the interest of the specified person arose from the beneficial ownership of less than 10 % of any class of voting securities of another company that is a party to the transaction;

(b) the transaction is in the ordinary course of business of the reporting issuer or its subsidiaries;

(c) the amount of the transaction or series of transactions is less than 10 % of the total sales or purchases, as the case may be, of the reporting issuer and its subsidiaries for the last financial year.

6. Information shall be furnished in answer to this item with respect to transactions not excluded above which involve remuneration to any of the specified persons for services in any capacity unless the interest of the person arises solely from the beneficial ownership of less than 10 % of any class of voting securities of a company furnishing the services.

Item 9: Appointment of auditor

1. If action is to be taken with respect to the appointment of an auditor, name the auditor of the reporting issuer.

If the auditor was first appointed within the last 5 years, state the date when the auditor was first appointed.

2. Where it is proposed that the auditor of the reporting issuer, or of one of its major subsidiaries, be relieved of his duties or that another auditor be appointed in his place, give the following informations:

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(1) the date of the taking of effect of the auditor's resignation or his refusal to renew his term of office, or the date on which it is recommended that the auditor be relieved of his duties, as the case may be;

(2) a description of all the disagreements to be declared and, if it can be reasonably determined or quantified, the impact of the choice or the decision that has been the subject of the disagreements on the net earnings or net loss and the financial position of the reporting issuer;

(3) a description of the nature of any reservation in the auditor's reports on the annual financial statements for the 2 financial years preceding the date mentioned in paragraph 1 and any similar reservation contained in the auditor's reports or comments on the periodical financial statements for any subsequent period at the end of the last financial year preceding the same date;

(4) where the board of directors of the reporting issuer has an audit committee, a declaration specifying whether the proposal to change the auditor has been approved by the audit committee, or if it was made contrary to the proposal of the audit committee;

(5) a letter from the auditor, whose term of office has terminated and whose relief has been proposed, addressed to the Commission, indicating his agreement or disagreement with the information given in the proxy circular in accordance with this paragraph.

Instructions

1. In answer to 2 of paragraph 2, the disagreements to be declared are as follows:

(1) those that occurred in relation to the audits of the last 2 financial years and any subsequent period preceding the date mentioned in 1 of paragraph 2;

(2) those that occurred at the decisional level, namely the disagreements that occurred between the personnel of the reporting issuer responsible for the presentation of its financial statements and the personnel of the office of accountants responsible for authorizing reports and comments respecting, the reporting issuer;

(3) those that concern the extent of or the procedures of auditing, accounting principles or practices, or the data entered in the financial statements;

(4) those that brought the auditor to mention the subject of the disagreement in his report on the audited financial statements or in his comments on the interim financial statements that have not been audited;

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(5) those that would have brought the auditor, if he had completed his term of office, to mention such matters in his report or comments.

2. Where there is no disagreement to be declared, mention it.

3. Where there has been no reservation in the reports or comments referred to in 3 of paragraph 2, mention it.

4. Within a reasonable time period before distributing the proxy circular, the management or the reporting issuer presents to the auditor the information that will be given in accordance with 2 of paragraph 2, in such a way as to allow the auditor to draft the letter referred to in 5 of paragraph 2.

5. Where the auditor does not agree with the information that will be given in the proxy circular, the auditor must mention the reasons for his disagreement in the letter provided for 5 of paragraph 2.

6. Paragraph 2 does not apply in the following cases:

(1) a change of auditor of a subsidiary of the reporting issuer where it is proposed that the auditor of that subsidiary be replaced by the auditor of the parent company;

(2) a change of auditor where the change is required by law.

Item 10: Management contracts

Where management functions of the reporting issuer or any subsidiary are to any substantial degree performed by a person other than the senior executives of the reporting issuer or subsidiary, give:

1. details of the agreement under which the management functions are performed, including the name and address of any person who is a party to the agreement or who is responsible for performing the management functions;

2. the names and addresses of the insiders of any person with whom the reporting issuer or subsidiary has any such agreement and, if the following information is known to the officers of the reporting issuer, give the names and addresses of any person that would be an insider of any person with whom the reporting issuer or subsidiary has any such agreement if the person was a reporting issuer;

3. with respect to any person named in answer to paragraph 1 state the amounts paid or payable by the, reporting issuer and its subsidiaries since the commencement of the last financial year and give particulars;

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4. *with respect to any person named in answer to paragraph 1 or 2 and their associates or affiliates, give particulars of,*

(1) *any indebtedness of the person, associate or affiliate to the reporting issuer or its subsidiaries that was outstanding, at any time since the commencement of the reporting issuer's last financial year;*

(2) *any transaction or agreement of the person, associate or affiliate with the reporting issuer or subsidiary, at any time since the commencement of the reporting issuer's last financial year.*

Instructions

1. *Solely the place of residence or postal address of each person may be given, but the Commission may then request the home address in full.*

2. *It is not necessary to give information of relative insignificance.*

3. *In giving particulars of indebtedness, state the largest aggregate amount of indebtedness granted by the reporting issuer or one of its subsidiaries to each of these persons during the last financial year, the nature of the indebtedness and of the transaction in which it was incurred, the amount of the indebtedness presently outstanding and the rate of interest on the indebtedness.*

4. *It is not necessary to include as indebtedness amounts due from the particular person for purchases subject to usual trade terms, for ordinary travel and expense advances, if the repayment arrangements are in accord with usual commercial practice.*

Item 11:

Particulars of matters to be acted upon

1. *If action is to be taken on any matter other than the approval of financial statements, the substance of the matter, or related groups of matters, should be briefly described, to the extent where it has not been done already. Give sufficient details to permit security holders to form a reasoned judgement concerning the matter.*

Such matters include alterations of share capital, charter or by-law amendments, acquisitions or dispositions of assets, amalgamations, mergers or reorganizations.

2. *Where a reorganization or similar restructuring is involved, reference should be made to a prospectus or issuer bid circular where the desired information will be found.*

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3. *If the matter is one that is not required to be submitted to a vote of security holders, the reasons for submitting it to security holders should be given and a statement should be made as to what action is intended to be taken by management in the event of a negative vote by the security holders.*

O.C. 660-83, Sch. VIII; O.C. 1263-85, s. 104 and 107 to 109; O.C. 1263-85, s. 106; O.C. 697-87, s. 48 to 50; O.C. 977-88, s. 33.

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SCHEDULE IX ANNUAL INFORMATION FORM

The reporting issuer that fulfills the conditions prescribed by section 18 of the Act provides only the information mentioned in Part A if it also fulfills the conditions prescribed by paragraphs 1 and 2 of section 160 or section 161 or 162 of the Regulation; otherwise, it shall also provide the information mentioned in Part B.

PART A

Item 1: Name and incorporation of reporting issuer

State full corporate name of the reporting issuer, the address of its head office, the law under which the reporting issuer was incorporated and the date of incorporation. Mention any material change to its incorporating documents.

Item 2: Business of the reporting issuer

1. Briefly describe the business carried on and intended to be carried on by the reporting issuer and its subsidiaries and the general development of the business. If the business consists of the production or distribution of products or the rendering of services, indicate what the main products or services are.

Include the business of subsidiaries of the reporting issuer only in so far as is necessary to understand the character and development of the business conducted by the combined enterprise.

In describing developments, with respect to the reporting issuer or its subsidiaries, information shall be given as to matters such as the following:

- (1) material reorganization;
- (2) acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business;
- (3) material changes in the method of conducting the business.

2. State briefly the location and general characteristics of the principal properties, including buildings and plants, of the reporting issuer and its subsidiaries. Describe briefly the nature of any real right affecting any of these properties and the nature of the title to the property. Detailed descriptions of the physical characteristics of individual properties or legal descriptions are not required and should not be given.

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3. *In the case of a natural resource company other than an oil or gas company, establish at the end of the last financial year of the reporting issuer, material information respecting production, mineral deposits, reserves of proven, probable or possible ore, (including the estimated tonnage and grade of each such class of ore reserves), the location and size of the property, the exploration and development of properties, the nature of the right under which the property of the reporting issuer or its subsidiaries is owned or operated.*

4. *In the case of oil or gas companies, give the following information:*

(1) *the quantity and type of the estimated proved and developed reserves, proved undeveloped reserves, and probable additional reserves of crude oil, natural gas and natural gas liquids, including the rights in the production of any other person, during the last 2 financial years of the reporting issuer;*

(2) *the net crude oil, natural gas liquids and natural gas production, including rights in the production of any other person, during the last 2 financial years of the reporting issuer;*

(3) *the number of wells the reporting issuer or its subsidiaries have drilled or have participated in the drilling of, during the 2 last financial years of the reporting issuer; the number of wells completed as producing wells and as dry holes during that period the amount expended on drilling and exploration activities during that period;*

(4) *installations and other material properties with respect to which a reporting issuer or subsidiary has a right of any kind including a lease or option, at the end of the last financial year of the reporting issuer;*

(5) *the location, by fields, of all producing wells and all non-utilized wells capable of producing in which the reporting issuer or its subsidiaries have an interest; the total number of wells in each such field or other area, the interest of the reporting issuer and its subsidiaries therein expressed in terms of net wells, distinguishing oil wells from gas wells;*

(6) *with respect to interests in properties on which no producing wells have been drilled, the gross acreage, the nature of the interest of the reporting issuer or its subsidiaries at the end of the last financial year of the reporting issuer and the extent of the interest therein expressed in terms of net leasable acreage, and the location of such acreage by geographical area.*

If the quantity and type of reserves are based on the estimates of an independent expert, he should be named. If reference is made to such estimate, the Commission may request the filing of the complete report. The report is not part of the information with respect to the reporting issuer.

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Item 3:

Principal financial disclosures

1. Give the following consolidated financial information:
 - (1) for each of the last five financial years of the reporting issuer:
 - (a) net sales or total revenues;
 - (b) profits or losses without taking into account extraordinary items, total and per share;
 - (c) total assets;
 - (d) the total amount of long-term debt and that of redeemable preferred shares;
 - (e) dividends per share;
 - (f) net earnings (total and per share).
 - (2) For the last 8 quarters:
the information in subparagraphs a, b and f of paragraph 1.
2. Briefly describe factors such as a change in accounting policies, the combination of 2 or more activities or the disposition of a part of the assets of the reporting issuer which have a significant effect on the appreciation of this information.

Item 4:

Analysis of the financial position and operating results

1. Briefly explain any substantial variations, both favourable and adverse, in the operating results, changes in financial position and in the balance sheet that have occurred over the last 2 years.
2. Describe also the capacity of the reporting issuer and the subsidiaries to obtain, from their own capital or by loan, the funds needed to fulfill their obligations during the current financial year. Pay special attention to the commitments of the reporting issuer and its subsidiaries in respect of working capital, capital expenditures, the reimbursement of loans and the payment of dividends.

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Item 5:

Market for the negotiation of securities

Identify the markets on which the shares other than preferred shares of the reporting issuer are traded.

Item 6:

Dividends

Indicate, for each class of shares, the frequency and amount of dividends per share declared during the last 2 financial years of the reporting issuer and briefly describe any limitation on its present or future capacity to declare or pay a dividend.

Item 7:

Important subsidiaries

1. Furnish a list of active subsidiaries indicating the law under which they were incorporated, the place of incorporation, and the percentage of voting securities owned by the reporting issuer.

2. The name of any subsidiary whose total consolidated assets do not exceed 10 000 000 \$ may be omitted if:

(1) the assets of the subsidiary or the investment in and advances to it by the reporting issuer and its other subsidiaries do not exceed 10 % of the total consolidated assets of the reporting issuer;

(2) the sales and operating revenues of the subsidiary do not exceed 10 % of the equivalent consolidated item of the reporting issuer; and

(3) the aggregate of the unnamed subsidiaries satisfy the conditions in 1 and 2 by replacing 10 % by 20 %.

Item 8:

Senior executives

1. List the names and addresses of all senior executives of the reporting issuer, indicate their present positions and the principal occupations during the last 5 years.

2. Indicate the periods during which each director has acted as such and give the dates of expiry of his term of office.

3. Give the number of voting securities of the reporting issuer or a subsidiary owned or controlled by each director.

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However, in the case of the reporting issuer that fulfills the conditions prescribed by paragraphs 1 and 2 of section 160 or by section 161 or 162 of the regulation, only the number of voting securities held or controlled by the directors as a group may be given.

Item 9: Additional information

Mention that other information, including information on the remuneration of senior executives, indebtedness of senior executives, principal holders of securities of the reporting issuer, as well as the interests of insiders in material transactions are as the case may be, presented in the most recent circular drawn up for the solicitation of proxies. Mention also that additional financial information may be found in the comparative financial statement at the end of the last financial year. Mention that these documents are made available to the public under the conditions provided for in section 87 of the Act.

A reporting issuer who has not filed with the Commission a circular drawn up for the solicitation of proxies must give the information required by Items 4, 6, 7 and 8 of Schedule VIII.

PART B

Item 10: Operations of the reporting issuer

Provide the information prescribed by Item 9 of Schedule 1 instead of that prescribed in Item 2 of this Schedule.

Item 11: Acquisitions and dispositions

Provide the information prescribed by Item 11 of Schedule I.

Item 12: Description of immoveables

Provide the information prescribed by Item 12 of Schedule I.

Item 13: Dividend record

Provide the information prescribed by Item 20 of Schedule 1 instead of that prescribed by Item 6 of this Schedule.

Item 14: Prior and future distributions

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Provide the information prescribed by Item 28 of Schedule I.

The following items apply only to finance companies.

Item 15:
Additional financial information

Provide the information prescribed by Item 33 of Schedule I.

Item 16:
Relationships with other companies

Provide the information prescribed by Item 34 of Schedule I.

Item 17:
Location or securities subject to a trust Deed and depository or portfolio securities

Provide the information prescribed by Item 37 of Schedule I.

Item 18:
Statement or functions of issuer

Provide the information prescribed by Item 38 of Schedule I.

Item 19:
Associated persons

Provide the information prescribed by Item 39 of Schedule I.

O.C. 660-83, Sch. IX; O.C. 1263-85, s. 110 and 111.

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SCHEDULE X ANNUAL INFORMATION FORM OF AN INCORPORATED OR UNINCORPORATED MUTUAL FUND

Item 1:

Name and Formation of Issuer

State the full name of the issuer and the address of its head office, the laws under which the issuer was formed and the date the issuer came into existence. If material, state whether the documents have been amended.

Instructions

Particulars of any such documents need be set out only if material to the securities offered by the simplified prospectus. See Schedule V, Item 6.

Item 2:

Business of the Issuer

(1) Describe the business of the issuer.

(2) If the issuer has engaged in any business other than that of a mutual fund during the past 5 years, state the nature of the other business and give the approximate date on which the issuer commenced to operate as a mutual fund. If the issuer's name was changed during the period, state its former name and the date on which it was changed. Indicate briefly the nature and results of any bankruptcy, receivership or similar proceedings or any other material reorganization of the issuer during the period.

(3) If during the past 2 years any affiliate of the issuer had any material interest in any transaction involving the purchase of any substantial amount of assets presently held by the issuer, describe the interest of the affiliate in such transaction and state the cost of such assets to the purchaser and to the seller.

Item 3:

Price of Securities on Sale or Redemption

Repeat disclosure required by Item 7 of Schedule V and in addition give the following information:

(1) Describe the rules used for the valuation of the issuer's assets and liabilities for the purpose of calculating net asset value and disclose all instances, within the past 3 years, when the discretion to deviate from these rules, if any, was exercised.

(2) Indicate briefly any difference in the sales charges imposed upon the sale of securities in connection with the conversion or exchange of securities or the reinvestment of dividends and similar distributions.

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(3) In this form, "sales charge" includes all service charges including charges relating to such matters as cost of the establishment of a contractual plan and the cost of the continuing administration and maintenance of such a plan.

(4) When giving particulars of the sales charge with respect to a contractual plan indicate when during the term of the plan the sales charge will be deducted.

(5) Give particulars of the entitlement of the purchaser of a contractual plan to a refund of any sales charge incurred if the contractual plan is terminated during the term of such plan.

Item 4: Responsibility for Principal Functions

Repeat disclosure required by Item 9 of Schedule V and in addition give the following information:

(1) Provide the name and address of each person, or of each of the senior executives of each of the companies, responsible for the performance of the principal functions described in the simplified prospectus and set out above.

(2) Indicate the method of determining the amount of management fees and state the total of such fees paid during each of the last 5 completed financial years and separately for the period from the last completed financial year to a date within 30 days of this annual information form.

(3) Indicate the circumstances under which the management agreement may be terminated.

(4) Indicate conflicts of interest or potential conflicts of interest between the issuer and the persons and companies named in answer to (1).

Instructions

1. The address given may be the place of residence or a postal address, however the Commission may request that the home address in full be furnished to the Commission.

2. In giving information regarding distribution of securities the name and address of only the contractual distributor need be given.

3. In giving information regarding the purchase and sale of the investment portfolio and brokerage arrangements relating thereto the name and address of only the principal dealer need be given and, give brief details of the following matters:

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(1) the total cost during the last completed financial year of the issuer, of securities acquired, distinguishing between,

(a) securities of or guaranteed by the government of any country, or any political subdivision thereof;

(b) short-term notes;

(c) other securities;

(2) the total cost of securities held at the beginning and at the end of the issuer's last completed financial year;

(3) the formula, method or criteria used in allocating brokerage business to persons or companies engaged in the distribution of the securities of the issuer;

(4) the formula, method or criteria used in allocating brokerage business to persons or companies furnishing statistical, research or other services to the issuer or the manager of the issuer;

(5) the amount of brokerage paid to the principal dealer for the last 3 completed financial years, giving the total amount paid in each year and expressing the amount paid in each year as a percentage of the total brokerage paid by the issuer.

4. If one or more persons or companies performs more than one of the functions referred to in this item, so state, giving details of all functions so performed.

5. As used in this Schedule:

(1) "principal dealer" includes,

(a) a person or company through whom the investment portfolio of the issuer is purchased or sold pursuant to a contractual arrangement with the issuer or the manager of the issuer providing for an exclusive right to purchase or sell the investment portfolio of the issuer or any feature which gives or is intended to give a dealer a material competitive advantage over other dealers in respect of the purchase or sale of the investment portfolio of the issuer;

(b) a person or company, together with any affiliate, by or through whom 15 % or more of the securities transactions of the issuer were carried out;

(2) "brokerage arrangements" or "brokerage business" include all purchases and sales of the investment portfolio, whether effected directly or through an agent.

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6. With the consent of the Commission, a person or company who would otherwise be, within the meaning of paragraph 5, a principal dealer may, with respect to any one or more of the items of disclosure required by this Form, be treated as not coming within the definition of a principal dealer.

Item 5: Investment Policy and Restrictions

State the policy or proposed policy of the issuer with respect to each of the following types of activities describing the extent to which the issuer may engage in or is restricted from engaging in each such activity. Indicate which of the policies may not be changed without security holder approval:

- (1) the issuing of securities other than those contemplated by the issuer's simplified prospectus;
- (2) the borrowing of money;
- (3) the firm underwriting of securities issued by other issuers;
- (4) the concentration of its investments in a particular class or kind of industry;
- (5) the purchase and sale of real estate;
- (6) the purchase and sale of commodities or commodity futures contracts;
- (7) the making of loans, whether secured or unsecured;
- (8) the investment of a specific proportion of the assets of the issuer in a particular type of security (e.g. bond, preferred shares, money market instruments, etc.);
- (9) the investment of more than 10% of the assets of the issuer in the securities of any one issuer;
- (10) the investment in more than 10 % of the securities of any one issuer;
- (11) the investment in securities for the purpose of exercising control or management;
- (12) the investment in securities of investment companies or other mutual funds;
- (13) the purchase or sale of mortgages;
- (14) the purchase of securities on margin or selling short;

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- (15) *the investment in securities which are not fully paid;*
- (16) *the investment in illiquid securities or securities whose resale is restricted;*
- (17) *the investment in foreign securities;*
- (18) *the investment in gold or gold certificates;*
- (19) *the pledging, mortgaging or hypothecating of the issuer's assets;*
- (20) *the sale of portfolio securities to senior executives or trustees of the issuer or of the manager, or the purchase of securities from such persons;*
- (21) *the guaranteeing of the securities or the obligations of another issuer;*
- (22) *the purchase of options, rights and warrants;*
- (23) *the writing of covered or uncovered clearing corporation options;*
- (24) *the investment in a security which may require the purchaser to make an additional contribution beyond the price of the security;*
- (25) *any investment other than in securities;*
- (26) *the lending of the issuer's portfolio securities.*

Instructions

1. *For the purpose of clause (7), the purchase of debt securities for investment purposes is not considered to be the making of a loan by the issuer.*
2. *For the purpose of clause (16), where the issuer invests in securities whose resale is restricted, describe how those securities are valued for the purpose of computing the net asset value of the fund.*

Item 6: Significant Holdings in Other Issuers

Furnish in substantially the tabular form indicated the following information as at a date within 30 days of the date of the annual information form with respect to each issuer, 5% or more of whose securities of any class are beneficially owned directly or indirectly by the mutual fund or any of its subsidiaries.

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<i>Name and Address of company</i>	<i>Nature of its principal business</i>	<i>Percentage of securities and class owned by issuer</i>	<i>Percentage of value of issuer assets invested therein</i>

Item 7: Tax Status of Issuer and Security Holder

(1) State in general terms the bases upon which the income and capital receipts of the issuer are taxed.

(2) Repeat disclosure prescribed by Item 13 of Schedule V in respect of the tax status of the security holder.

Item 8: Legal Proceedings

Describe briefly any legal proceedings material to the issuer to which the issuer is a party or of which any of its property is subject.

Instructions

Identify the court or the agency having jurisdiction, the date on which the suit was filed, the principal parties involved, the nature of the claim and the amount claimed. State whether the proceedings are contested and indicate the present status of the proceedings.

Item 9: Senior Executives and Trustees

List the names and home addresses of all senior executives and trustees of the issuer and indicate all positions and offices with the issuer held by each person named, and the principal occupations, within the 5 preceding years, of each senior executive and trustee.

Instructions

1. The address given may be the place of residence or the postal address, however the Commission may request that the home address in full be furnished to the Commission.

2. Where the principal occupation of a senior executive or trustee is that of an officer of a company other than the mutual fund, state the business in which such company is engaged.

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3. Where a senior executive has held more than one position in the issuer, or a parent or subsidiary thereof, state only the first and last position held.

Item 10:

Remuneration of Senior Executives and Trustees

(1) Incorporated and unincorporated mutual funds which directly employ officers must present the information prescribed by Item 22 of Schedule 1.

(2) Incorporated mutual funds, the business of which are managed by a management company pursuant to a contractual arrangement, or unincorporated mutual funds, the business of which are managed by a corporate trustee pursuant to the terms of a trust indenture, must report in their annual financial statement:

(a) the aggregate amount of directors or trustees fees paid in respect of each of the financial years reported upon;

(b) the aggregate amount of expenses reimbursed to the directors or trustees in respect of their fulfillment of duties as directors or trustees.

As well, such issuers must state in the prospectus or in the annual information form that amounts reported in the financial statements as paid or reimbursed to directors and trustees constitute the only compensation paid by the issuer to such directors and trustees.

Item 11:

Indebtedness of Senior Executives and Trustees

Disclose any information regarding the indebtedness to the issuer or its subsidiaries of each senior executive or trustee, each proposed nominee for election as a director or trustee or of a person associated with such senior executive, trustee or nominee, to the extent that it is not routine indebtedness.

Instructions

1. State the name and address of any person who is the beneficiary of such a loan. The place of residence or the postal address will suffice.

2. State the largest aggregate amount of indebtedness outstanding towards the issuer and its subsidiaries by each of such persons at any time during the last financial year, the nature of the indebtedness and the transaction in which it was incurred, the balance presently outstanding, and the rate of interest.

3. "Routine indebtedness" means:

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

(2) a loan granted to a full-time senior executive, provided that the loan was for less than his annual salary and was entirely secured by a hypothec on his residence;

(3) a loan granted to a senior executive who is not a full-time employee or to a person associated with him, provided that the granting of credit forms part of the business of the reporting issuer, that the loan is granted on the same terms as to customers and it involves no unusual risks of collectibility;

(4) a loan granted at the time of purchases made on normal business terms or resulting from advances of travel or entertainment allowances, provided that the terms of repayment comply with business practice.

Item 12: Associated Persons

Provide, in respect of any person mentioned in answer to Item 9 of Schedule Y, the following information:

(1) If the person:

(1) is an associate of the issuer;

(2) is a senior executive of a legal person that is associated with any affiliate of the issuer or is associated with that legal person;

(3) is a senior executive of a legal person associated with the issuer or is associated with that legal person, so state and give details of the relationship.

(2) If the issuer:

(1) is associated with that person;

(2) is associated with a legal person affiliated with that person;

(3) is associated with a legal person that is associated with that person, so state and give details of the relationship.

(3) If a person associated with the issuer is also associated with the person mentioned, so state and give details of the relationship.

(4) If the person has signed a contract with the issuer, describe it briefly, indicate the method of fixing the remuneration of that person and give the amount of the

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remuneration paid or payable by the issuer to that person during the last financial year of the issuer.

(5) If a person mentioned in answer to this item is an associate of another person mentioned therein, so state and give details of the relationship.

(6) Wherever the Commission so requires, state the professional experience of that person and, in case of a legal person, of the senior executives.

Item 13: Promoter

If any person or company is or has been a promoter of the issuer within the 5 years immediately preceding the date of the annual information form, furnish the following information:

(1) the names of the promoters, the nature and amount of anything of value (including money, property, contracts, options or rights of any kind) received or to be received by each promoter directly or indirectly from the issuer;

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

(3) as to any assets acquired within the past 2 years or to be acquired by the issuer from a promoter, state the amount at which acquired or to be acquired and the principle followed or to be followed in determining the amount. Identify the person making the determination and state his relationship, if any, with the issuer or any promoter. State the date that the assets were acquired by the promoter and the cost thereof to the promoter.

Item 14: Principal Holders of Securities

Furnish the following information as of a specified date within 30 days prior to the date of the annual information form in substantially the tabular form indicated:

(1) The number of securities of each class of voting securities of the issuer and the manager of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known by such issuer or manager to own beneficially, directly or indirectly, more than 10% of any class of such securities. Show in Column 5 whether the securities are owned both of record and beneficially, of record only, or beneficially only, and show in Columns 6 and 7 the respective numbers and percentages known by the issuer or manager to be owned in each such manner.

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Name and address	Name of company	Issuer or relationship there to	Designation or class	Type of ownership	Number of securities owned	Percentage of class
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(2) If any person or company named in answer to paragraph (1) owns of record or beneficially, directly or indirectly, more than 10 % of,

(a) any class of voting securities of the principal distributor or the principal dealer of the issuer or any parent or subsidiary thereof,

(b) any proprietorship interest in the contractual distributor or the principal dealer of the issuer.

give the percentage of such securities or the percentage of such proprietorship interest so owned by such person or company.

(3) The percentage of securities of each class of voting securities beneficially owned, directly or indirectly, by all the senior executives or trustees:

(a) of the issuer in the issuer or in a parent or subsidiary thereof;

(b) of the manager of the issuer in such manager or in a parent or subsidiary thereof, in the case of each company as a group, without naming them.

Name of Company	Issuer or relationship thereto	Designation of class	Percentage of class
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Instructions

1. Where a company is shown by the issuer as owning directly or indirectly more than 10% of any class of such securities, the Commission may require the disclosure of such additional information as is necessary to identify any individual who, through his direct or indirect ownership of voting securities in the company owns directly or indirectly more than 10% of any class of such securities. The name of such an individual should be disclosed in a footnote to the table described in paragraph (1).

2. For the purposes of paragraph (1), securities owned beneficially, directly or indirectly, and of record shall be aggregated in determining whether any person or company owns more than 10% of the securities of any class.

3. For the purposes of paragraph (1), where no material change has occurred in the information required by such clause since the date of the financial

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statements included in the prospectus, information may be given as of the date of the financial statements.

4. If voting securities are being offered in connection with, or pursuant to, a plan of acquisition, amalgamation or reorganization, indicate, as far as practicable, the respective holdings of voting securities that will exist after giving effect to the plan.

5. If, to the knowledge of the issuer or the manager, more than 10% of any class of voting securities of the issuer or if, to the knowledge of the manager of the issuer, more than 10% of any class of voting securities of such manager are held or are to be held subject to any voting trust or other similar agreement, state the designation of such securities, the number held or to be held and the duration of the agreement. Give the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

6. If, to the knowledge of the issuer, the parent of the issuer, the manager or the parent of the manager, any person or company named in answer to paragraph (1) is an associate or affiliate of any other person or company named therein, disclose, in so far as known, the material facts of such relationship, including any basis for influence over the issuer enjoyed by the person or company other than the holding of voting securities of the issuer.

Item 15:

Interest of Management and Others in Material Transactions

Describe briefly, and where practicable state the approximate amount of, any material interest direct or indirect, of any of the following persons or companies many transaction within the 3 years prior to the date of the annual information form, or in any proposed transaction which has materially affected or will materially affect the issuer:

- (1) the manager of the issuer;
- (2) the contractual distributor of the issuer;
- (3) the principal dealer of the issuer;
- (4) any senior executive or trustee of the issuer or of any company referred to in clauses (1), (2) or (3) hereof;
- (5) any security holder named in answer to paragraph (1) of Item 14; and
- (6) any associate or affiliate of any of the foregoing persons or companies.

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Instructions

1. Give a brief description of the material transaction. Include the name and address of each person or company whose interest in any transaction is described and the nature of the relationship by reason of which such interest is required to be described.

2. As to any transaction involving the purchase or sale of assets by or to the issuer otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within 2 years prior to the transaction.

3. This Item does not apply to any interest arising from the ownership of securities of the issuer where the security holder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities.

4. No information need be given in answer to this Item as to any transaction or any interest therein, where,

(1) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(2) the interest of a specified person or company in the transaction is solely that of a director of another company that is a party to the transaction;

(3) the transaction involves services as a bank or other depository of funds, transfer agent, registrar, trustee under a trust indenture or other similar services;

(4) the interest of a specified person or company, including all periodic instalments in the case of any lease or other agreement providing for periodic payments or instalments, does not exceed 50 000 \$;

(5) the transaction does not directly or indirectly, involve remuneration for services, and

(a) the interest of a specified person or company arose from the beneficial ownership, direct or indirect, of less than 10% of any class of voting securities of another company that is a party to the transaction;

(b) the transaction is in the ordinary course of business of the issuer.

5. Information shall be furnished in answer to this Item with respect to transactions not excluded above that involve remuneration, directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of

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the person or company arises solely from the beneficial ownership, direct or indirect, of less than 10% of any class of voting securities of another company furnishing the services to the issuer or its subsidiaries.

Item 16:

Custodian of Portfolio Securities

(1) *State the name, principal business address and the nature of the business of each person or company holding portfolio securities of the issuer as custodian and the jurisdiction in which the portfolio securities are physically situate. The name of the custodian may be omitted if it is a bank to which the Bank Act (S.C., 1980-81-82, chapter C-40) applies, or otherwise with the consent of the Commission.*

(2) *Give brief details of the contractual arrangement made with the custodian.*

Item 17:

Material Contracts

Give particulars of every material contract entered into within the 2 years prior to the date of the annual information form by the issuer and state a reasonable time and place at which any such contract or copy thereof may be inspected during distribution of the securities being offered.

Instructions

1. *Set out a complete list of all material contracts, indicating those which are disclosed elsewhere in the annual information form or in the simplified prospectus and provide particulars with respect to those material contracts about which particulars are not given elsewhere. This item does not require disclosure of contracts entered into in the ordinary course of business of the issuer.*

2. *Particulars of contracts should include the dates of, parties to, consideration and general nature of the contracts, succinctly described.*

3. *In the case where the disclosure respecting a contract, without being indispensable to the protection of investors, would risk compromising the benefit derived therefrom, the Commission may authorize the omission of its description.*

Item 18:

Other material facts

Give particulars of any other material facts relating to the securities proposed to be offered which are not contained in the simplified prospectus.

Item 19:

Certificates

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The annual information form must contain the following certificates:

(1) *“This annual information form, the financial statements of the fund for the financial period ended _____ and the auditor’s report thereon, together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus and do not contain any misrepresentation.”*

This certificate must be signed by the chief executive officer of the issuer or by a person who holds a similar position, by the chief financial officer and by 2 other persons selected from the directors or trustees and, as the case may be, by the manager.

(2) *“To the best of our knowledge, this annual information form, the financial statements of the fund for the financial period ended _____ and the auditor’s report thereon, together with the simplified prospectus required to be sent or delivered to a purchaser during the currency of this annual information form constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus and do not contain any misrepresentation.”*

This certificate must be signed by the underwriter.

*_____
O.C. 660-83, Sch. X; O.C. 1263-85, s. 112; O.C. 1263-85, s. 112 (Item 10); O.C. 697-87, s. 53.*

**SCHEDULE XI
TAKEOVER OR EXCHANGE BID CIRCULAR**

**Item 1:
The offeror**

Provide the corporate name and a brief description of its activities. .

**Item 2:
The offeree**

Provide its corporate name.

**Item 3:
Ownership of securities of the offeree**

1. *Provide the number, the percentage and description of the securities of the offeree held by the following persons at the date of the offer:*

- (1) the offeror;*
- (2) a joint actor with the offeror, if known;*
- (3) a senior executive of the offeror and his associates;*

(4) a person who holds securities of the offeror conferring more than 10 % of the voting rights attached to a class of voting securities.

If no securities are held, so state.

2. *Where the information is known to the offeror, give, for each class of securities subject to the bid, the number of securities held by each holder of more than 10 % of the securities of that class. If the securities are held in the name of a clearing corporation, state that they are held in the name of many holders.*

**Item 4:
Transactions in the securities of the offeree**

Provide the following information respecting the acquisition or sale of securities of the offeree by a person mentioned in Item 3 during the 6 months preceding the date of the bid:

- (1) the description of the security;*
- (2) the number of securities bought or sold;*

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(3) *the purchase or sale price;*

(4) *the date of the transaction.*

The information required in paragraphs 2, 3 and 4 is provided it is known. If no securities have been acquired or sold, so state.

Item 5:

Terms of the bid

Provide the terms of the bid and the cases in which the offeror plans to withdraw the bid.

Item 6:

Payment for the securities

Indicate the method of payment for the securities and the settlement date.

Item 6.1:

Solicitation

Give the name of any person employed or paid by the offeror or his agent to solicit the tendering of securities in response to the offer.

Item 7:

Right of to withdraw deposited securities

Describe the withdrawal right of the security holders of the offeree issuer who have deposited their securities under the bid. State that the withdrawal is made by sending a written notice to the depository and becomes effective upon its receipt by the depository.

Item 8:

Availability of funds

State the exact nature of the arrangements made by the offeror to ensure the availability of the funds needed to pay for the securities tendered, in particular the source of funds, the precise conditions of any agreement relative to the financing of the operation, the safekeeping of funds or a guarantee for the payment of the securities.

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Item 9:

Trading of securities of the offeree and securities offered as consideration

Provide the following information concerning trading in securities of the offeree and as the case may be those offered as consideration:

(1) the principal market or markets where the securities are traded, with an indication, as the case may be, of the intention of the offeror to change the principal market or of listing the securities on a stock exchange or delisting them;

(2) the volume of securities traded and the highest and lowest quotations for the 6-month period preceding the date of the bid;

(3) the last quotation of the securities before the date of the public advertisement of the bid.

Indicate the date of the public advertisement of the bid.

Item 10:

Agreements between the offeror and the senior executives of the offeree

Provide the details of any agreement made or planned between the offeror and the senior executives of the offeree, in particular concerning any payment or other benefit granted as compensation for the loss of their positions or respecting their continuing or ceasing to perform their duties if the bid is favourably received.

Item 11:

Agreements between the offeror and a holder of securities of the offeree

Provide the details of any agreement between the offeror and a holder of securities of the offeree in respect of the bid.

Item 12:

Business relations between the offeror and the offeree

Provide details of any material business relationship between the offeror and the offeree.

Item 13:

Purpose of the bid and subsequent plans

Provide the following information:

(1) the purpose of the bid;

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(2) where the purpose of the bid is to acquire effective control of the offeree, the plans of the offeror to liquidate the offeree, to lease its property or dispose of it, to amalgamate it or to make any other major change in its affairs, its organization, its management, its personnel or its dividend policy.

Item 14:

Material changes in the affairs of the offeree

Provide the details of any information known to the offeror regarding any major change in the affairs of the offeree since the date of its last published interim or annual financial statements.

Item 15:

Appraisal

1. Where an appraisal is furnished, provide a summary of it. The summary must include the method of computation, the extent of the examination and the principal hypotheses upon which the appraisal is based. It must also indicate the extent to which any advantage accruing to a security holder after completion of the take-over bid has been considered in the valuation.

2. Indicate the place where the appraisal may be consulted and mention the rights of security holders of the class contemplated to obtain a copy of it by paying reproduction and mailing costs.

Item 16:

Rights of appraisal and acquisition

State any right of appraisal that holders of securities of the offeree issuer may have under the laws governing it. State whether the offeror intends to exercise any rights of acquisition of securities of the offeree that the offeror may have.

Item 17:

Purchases in the open market

Indicate whether the offeror intends to buy in the open market securities of the class subject to the bid.

Item 18:

Other material facts

State any other material fact likely to affect the value or market price of the securities of the offeree. Mention any other information known to the offeror, but not yet published, that might influence the response of the holders to the bid.

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Item 19:

Judicial developments

Where the take-over bid is an insider bid or where the offeror anticipates that a going private transaction will follow the take-over bid, give a brief description of its relevance to recent legal development, if any, relating to the type of proposed transaction.

Item 20:

Approval of the circular

Where the bid is made by a legal person or on its behalf, state that the contents of the circular and its publication have been authorized by the board of directors.

Item 21:

Date of the circular

Indicate the date of the circular.

O.C. 660-83, Sch. XI; O.C. 1263-85, s. 113; O.C. 697-87, s. 55 to 62.

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SCHEDULE XII THE CIRCULAR OF THE BOARD OF DIRECTORS

Item 1: The offeror

Provide its name.

Item 2: The offeree

Provide its name. ,

Item 3: Composition of the board of directors of the offeree

Provide the names of the offeree's directors.

Item 4: Ownership of the offeree's securities

Provide the number, the percentage and the designation of the securities of the offeree held by the following persons on the date of the bid:

- (1) a senior executive of the offeree and his affiliates;*
- (2) a person who holds securities of the offeree having more than 10 % of the voting rights attached to a class of voting securities.*

The information is provided only if it is known. If no securities are held, so state.

Item 5: Acceptance of the bid by the senior executives of the offeree

Where the information is known to the senior executives of the offeree, provide the names of the persons referred to in Item 4 who have accepted or intend to accept the bid, as well as the number of securities that each one has deposited or intends to deposit.

Item 6: Ownership of the offeror's securities

When a bid is made by an issuer or on his behalf, provide the number, the percentage and the designation of the offeror's securities held by the following persons on the date of the bid:

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- (1) a senior executive of the offeree and his associates;
- (2) a person who holds securities of the offeree carrying more than 10 % of the voting rights attached to a class of voting securities.

The information is provided only if it is known. If no securities are held, so state.

Item 7:

Agreements between the offeror and the senior executives of the offeree

1. Provide the details of any agreement reached or proposed between the offeror and the senior executives of the offeree, particularly in regard to any payment or other benefit granted as indemnity for the loss of their positions or in regard to their retaining or losing their positions if the bid is accepted.

2. Provide the names of the senior executives of the offeree who are also senior executives of the offeror or of a subsidiary of the offeror.

Item 7.1:

Agreement between the offeree and its senior executives

Give the detail of any agreement entered into or proposed between the offeree and its senior executives in regard to any payment or other benefit granted as indemnity for the loss of their positions or in regard to their retaining or losing their positions if the bid is accepted.

Item 7.2:

Response of offeree issuer

Describe any transaction, board resolution, agreement in principle or signed contracts in response to tender offer. State whether or not the offeree issuer has undertaken any negotiations which relate to or would result in one of the following:

(1) an extraordinary transaction such as a merger or reorganization involving the offeree company or one of its subsidiaries;

(2) the purchase, sale or transfer of a material amount of assets of the offeree company or of one of its subsidiaries;

(3) the acquisition, by way of a tender offer of its own securities or of those of another company;

(4) any material change in the present capitalization or dividend policy of the offeree company.

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Disclose negotiations underway, without giving details if there has been no agreement in principle.

Item 8:

Participation of the senior executives of the offeree in a transaction to which the offeror is a party

Describe the nature and extent of any participation of the following persons in a material transaction to which the offeror is a party:

- (1) a senior executive of the offeree;*
- (2) an associate of a senior executive of the offeree;*
- (3) a person who holds securities of the offeree carrying more than 10 % of the voting rights attached to a class of voting securities.*

Item 9:

Transactions in securities of the offeree

Provide, where known to the senior executives, the following information respecting the acquisition or sale of securities of the offeree during the 6 months preceding the date of the bid by a person mentioned in Item 4:

- (1) the description of the security;*
- (2) the number of securities acquired or sold;*
- (3) the purchase or sale price;*
- (4) the date of the transaction.*

If no securities are held, so state.

Item 9.1:

Securities issued to senior executives

Provide details of securities of the offeree issued to senior executives in the last 2 years. Securities covered are those subject to the bid or convertible into those securities.

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Item 10: Additional information

Where information in a circular provided by the offeror has been presented in a misleading manner, correct the facts.

Item 11: Material change in the activities or the offeree

Provide any information known to a senior executive of the offeree that indicates a material change in its activities since the date of its last interim or annual financial statements.

Item 12: Other information

Provide any other information known to the senior executives, but not yet published, that is likely to influence the response of the holders to the bid.

Item 13: Recommendations

- 1. Where the offeree's board of directors recommends acceptance or refusal of the bid, indicate the reasons for the recommendation;*
- 2. Where the offeree's board of directors makes no recommendation to accept or refuse the bid, indicate the reasons for the decision;*
- 3. Where the offeree's board of directors intends to make a recommendation to accept or refuse the bid after the sending of the circular of the board of directors, it may advise security holders of the offeree not to deposit their securities before receiving a further communication from the board informing them of its recommendation and the reasons therefor.*

Item 14: Consent to use of expert's report

Where the circular of the board of directors mentions, by reason of the standing attached to his profession, the name of a person who is a lawyer, an auditor, an accountant, an engineer, a geologist or an appraiser who drew up or certified part of the circular or who made an appraisal or drew up a report used in preparing the circular, the written consent of that person must be filed with the Commission with the circular or reproduced in it in accordance with Section 84 of the regulations.

Item 14.1: Valuation

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1. Where an appraisal is furnished, provide a summary of it. The summary must include the method of computation, the extent of the examination and the principal hypotheses upon which the appraisal is based. It must also indicate the extent to which any advantage accruing to a security holder after completion of the take-over bid has been considered in the valuation.

2. Indicate the place where the appraisal may be examined and state the right of security holders of the class contemplated to obtain a copy of it by paying the cost of reproduction and mailing.

Item 15: Approval of the circular

State that the contents of the circular of the board of directors have been approved, and that its distribution has been authorized by the offeree's directors.

Item 16: Financial statements

Where the unaudited financial statements of the offeree are included in the circular of the board of directors, enclose a declaration of the chief financial officer of the offeree stating that in his opinion the financial statements present fairly the financial position of the offeree and the results of its operations for the period under consideration

Item 17: Date of the circular

Indicate the date of the circular.

O.C. 660-83, Sch. XII; O.C. 1263-85 s. 114 and 115; O.C. 697-87, s. 63 to 71.

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**SCHEDULE XIII
SENIOR EXECUTIVE'S NOTICE**

**Item 1:
The offeror**

Provide its corporate name.

**Item 2:
The offeree**

Provide its corporate name.

**Item 3:
The author of the notice**

Provide the name of the senior executive who prepared the notice.

**Item 4:
Ownership of the securities of the offeree**

Provide the number and description of the securities of the offeree held by the senior executive and by his associates.

If no securities are held, so state.

**Item 5:
Acceptance of bid**

State whether the senior executive has accepted or intends to accept the bid and give the number of securities he has deposited or intends to deposit. Provide the same information for each associate.

**Item 6:
Ownership of the securities of the offeror**

When a bid is made by an issuer or on his behalf, provide the number, the percentage and the description of the securities of the offeror held by the senior executive and by his associates. If no securities are held, so state.

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Item 7:

Agreements between the offeror and a senior executive

Provide details of any agreement reached or proposed between the offeror and a senior executive, particularly in respect of any payment or other benefit granted as indemnity for the loss of their positions or respecting their retaining or losing their positions if the bid is favourably received.

State whether the senior executive is also a senior executive of the offeror or of one of its subsidiaries.

Item 8:

Participation of a senior executive in a transaction to which the offeror is a party

Describe the nature and extent of any participation by a senior executive and by his associates in a material transaction to which the offeror is a party.

Item 9:

Additional information

Where information contained in a takeover bid circular drawn up by the offeror contains a misrepresentation, correct the information.

Item 10:

Material changes in the activities of the offeree

Provide any information known to a senior executive that indicates a material change in the activities of the offeree since the date of its last interim or annual financial statements, to the extent that it is not already known to the public and the senior executive considers that it has not been correctly presented in the takeover bid circular or in the circular of the board of directors.

Item 11:

Other information

Provide any other information known to a senior executive, but not yet published, that might influence the response of the holders to the bid.

Item 12:

Recommendation

Provide the recommendation of the senior executive, with the reasons therefor.

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Item 13:

Consent to the use of an expert's report

Where the notice of a senior executive mentions, by reason of the standing attached to his profession, the name of a person, such as a lawyer, an auditor, an accountant, an engineer, a geologist or an appraiser, who has drawn up or certified part of the notice or who has made an appraisal or drawn up a report used in preparing the notice, the written consent of that person must be filed with the Commission with the notice, or reproduced in it, in accordance with Section 84 of the regulations.

Item 13.1:

(Repealed)

Item 14:

Date of the notice

Indicate the date of the notice.

O.C. 660-83, Sch. XIII; Errata, 1985 G.O. 2, 1121; O.C. 1263-85, s. 116; O.C. 697-87, s. 72 and 73.

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SCHEDULE XIV ISSUER BID CIRCULAR

Item 1: Name of issuer

Provide the corporate name.

Item 2: Securities sought

Provide the class and number (of shares sought) or the principal amount when they consist of convertible debt securities.

Item 3: Time period

State the dates on which the issuer bid will commence and close.

Item 4: Method of acquisition

State the method by which the securities will be acquired, and the procedures for accepting the bid and for taking delivery of securities deposited.

Item 5: Consideration offered

State the consideration to be offered.

Where the securities of an issuer are offered as consideration, state:

- (1) the information and the financial statements required by the Regulation for a prospectus of the issuer whose securities are offered as consideration;
- (2) any information known to the issuer that indicates a material change in its activities since the date of its last interim or annual financial statements.

Item 6: Payment for deposited securities

State the particulars of the method and time of payment of the consideration.

Item 7: Right to withdraw deposited securities

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Describe the withdrawal right of the security holders of the offeree issuer who have deposited their securities under the bid. State that the withdrawal is made by sending a written notice to the depository and becomes effective upon its receipt by the depository.

Item 8: Availability of funds

State the exact nature of the arrangements made by the offeror to ensure the availability of the funds needed to pay for the securities tendered, in particular the source of funds, the precise conditions of any agreement relative to the financing of the operation, the safekeeping of funds or a guarantee for the payment of the securities.

Item 9: Participation

Where the issuer bid is for less than all of the outstanding securities of a class, state that if a greater number or principal amount of the securities are tendered than the issuer is bound or willing to take up and pay for, the issuer will reduce the number of securities tendered by each holder on a prorata basis, making the necessary adjustments, prior to the taking up and payment of the securities.

Item 10: Reasons for the issuer bid

State the purpose and business reasons for the issuer bid, and if it is anticipated that the issuer bid will be followed by a going private transaction, describe the proposed transaction.

Item 11: Trading in securities of the class to be acquired

Furnish, where reasonably ascertainable, the following information concerning trading in securities of the class to be acquired:

(1) the name of each stock exchange or other principal market on which the securities sought are traded;

(2) in reasonable detail for the 12 months preceding the date of the issuer bid, the volume of trading and price range of the class of securities sought, or in the case of debt securities the prices quoted, on each principal market;

(3) the date that the issuer bid to which the circular relates was announced to the public and the market price of the securities of the issuer immediately before such announcement.

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Indicate any change in a principal market or markets that is planned following the bid.

Item 12: Beneficial ownership of securities of the issuer

State the number, the percentage and the designation of any securities of the issuer beneficially owned or over which control or direction is exercised at the date of the bid by:

- (1) each senior executive or other insider of the issuer;*
- (2) each associate of an insider of the issuer;*
- (3) every associate or affiliate of the issuer.*

The disclosure required in paragraph 2 is furnished only if it is known.

Item 13: Acceptance of the issuer bid

Where known after reasonable inquiry by the senior executives of the issuer, state the names of every person named in Item 12 who proposes to tender or accept the issuer bid.

Item 14: Benefits from the issuer bid

State the benefits to any of the persons named in item 12 of accepting or refusing to accept the issuer bid.

Item 15: Material changes in the activities of the issuer

Give the particulars of any plans or proposals for material changes in the capital structure of the issuer, its management, staff or activities, including, for example, any contract or agreement under negotiation, any proposal to liquidate the issuer, to sell, lease or exchange all or a substantial part of its assets, to amalgamate it with any other business organization.

Mention whether or not the offeror plans to delist the shares.

Item 16: Other benefits of the issuer bid

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If any material changes in the activities of the issuer are contemplated, state any specific benefit, resulting from such changes to any of the persons named in Item 12.

Item 17:

Arrangements between the issuer and security holder

Provide the details of any contract or understanding between the issuer and

- (1) any security holder of the issuer;*
- (2) any person with respect to any securities of the issuer.*

Item 18:

Previous transactions in the securities of the issuer

State the number and designation of any securities of the issuer purchased or sold by the issuer during the 12 months preceding the date of the issuer bid excluding securities purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights. State the purchase or sale price, the date and purpose of each transaction.

Item 19:

Financial statements

If the bid is made more than 10 days after the end of one of the first 3 quarters referred to in section 78 of the Act, and if the quarterly financial statements have not been delivered to security holders of the issuer, include the quarterly financial statements and, in all other cases, include a statement that the most recent quarterly financial statements will be sent without charge to anyone requesting them.

Item 20:

Appraisal

1. Where an appraisal is provided, include a summary of the appraisal. The summary should include the basis of calculation, scope of review, and the key assumptions on which the appraisal is based. It must also indicate the extent to which any advantage accruing to a security holder after completion of the take-over bid has been considered in the valuation.

2. Advise where copies of the appraisal are available for inspection and state that a copy of the appraisal will be sent to any registered security holder of the class upon payment of a nominal charge sufficient to cover printing and postage.

Item 20.1:

Judicial developments

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Give a brief description of the relevance of recent legal development, if any, relating to the type of proposed transaction.

Item 21:

Approval of the circular

The circular must include:

(1) *a declaration that the circular has been approved and its distribution authorized by the issuer's board of directors;*

(2) *name of any senior executive of the issuer who has informed the board of directors in writing of his opposition to the disclosure;*

(3) *Where the issuer bid is part of a transaction or to be followed by a transaction requiring the approval of minority security holders, state the nature of the approval required.*

Item 22:

Previous distribution

If the securities of the class subject to the issuer bid were distributed to the public during the 5 years preceding the bid, state the subscription price per share and the aggregate proceeds received by the issuer or selling security holder.

Item 23:

Dividend

Give the following information:

(1) *the frequency and amount of dividends with respect to shares of the issuer during the 2 years preceding the date of the issuer bid;*

(2) *any restrictions on the issuer's ability to pay any dividend's;*

(3) *any plan or intention to declare a dividend or to alter the dividend policy of the issuer.*

Item 24:

Tax consequences

Provide a general description of the consequences of the issuer bid under Québec income tax legislation to the issuer and to the security holders of any class affected.

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Item 25:

Expenses of the issuer bid

Provide a statement of the expenses incurred or to be incurred in connection with the issuer bid.

Item 26:

Other material facts

State the particulars of any other material facts about the issuer bid . State any other material facts not previously published and likely to influence the response of security holders to the bid.

Item 26.1:

Solicitations

Give the name of any person or company employed or paid by the issuer or his agent to make solicitations in respect of the bid.

Item 27:

Date of the circular

Indicate the date of the disclosure.

O.C. 660-83, Sch. XIV; O.C. 1263-85, s. 117 and 118; O.C. 697-87, s. 74 to 82.

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**SCHEDULE XV
AUDITED ANNUAL STATEMENT OF THE DEALER'S FINANCIAL POSITION**

**Item 1:
Statement of financial position -**

Present the following items of the statement of a dealer's financial position dealing with the most recent financial year and presented in comparison with that of the preceding year.

Assets

*Cash
Accounts receivable
Accounts - dealers
Other accounts
Securities held at market value
Other assets (indicate basis of appraisal)*

Liabilities

*Borrowings on pledge
Accounts payable
Accounts - dealers
Securities sold short at market value
Capital stock (including borrowings described in section 212 of the Regulation and undistributed earnings)*

**Item 2:
Auditor's report**

Attach the auditor's report

O.C. 660-83, Sch. XV; O.C. 697-87, s. 83.

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SCHEDULE XVI OFFERING MEMORANDUM (TAX-SHELTER SECURITIES)

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			

* Applicable only in the case of a registered dealer. In the case of another person the remuneration is not allowed (section 48 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

1. If all or part of the securities being offered are to be sold through underwriters, give the names of the underwriters. State briefly the nature of the underwriters' obligation to take up and pay for the securities.

Indicate the date by which the underwriters are to purchase the securities.

2. Outline briefly the plan of distribution of any securities being offered that are to be offered otherwise than through underwriters. Where there is a "best efforts" offering, indicate, where practicable, on the first page the minimum amount, if any, required to be raised, and also indicate the maximum amount that could be raised and the latest date that the offering is to remain open. In the case of a best efforts distribution with a minimum amount to be raised, the net proceeds from the distribution must be deposited with a trust company or a person acceptable to the Commission which undertakes to reimburse the funds to the subscribers if the minimum is not raised.

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State whether interest will be paid or not on funds reimbursed.

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 5 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.*

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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 2 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 2 preceding years.

Item 5:

Details of the distribution

1. Describe the shares being offered, including the following information:

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

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

3. In the case of restricted shares, comply with the policy statements of the Commission.

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4. With respect to securities other than shares and bonds, briefly describe the rights attached thereto.

With respect to shares of a limited partnership, describe the obligations and the rights of the general partners and of the limited partners, the method of financing the partnership and the functions and the basis of remuneration of the general partners.

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 development 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

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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: 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 11: Dilution

Set out on the first page, if any, the dilution of the securities offered, based on net tangible assets including the distribution. This information may be given in the body of the prospectus if an appropriate reference is made on the first page. The information must be presented in accordance with the following table.

Dilution per share

Offering price			\$
Net tangible book value before distribution		\$	
Increase of net tangible book value attributable to the distribution		\$	
Net tangible book value after the distribution			\$
Dilution to subscriber			\$
Percentage of dilution in relation to the offering price			%

Instructions

1. The issuer may omit the information prescribed by this item where it considers such information to be of no value.
2. In the calculation of the net tangible book value after the offering, the remuneration of the underwriter and the cost of distribution are to be deducted.

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Item 12: Legal proceedings

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

Instructions

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

Item 13: Escrowed securities

1. State in substantially the tabular form indicated, the number of shares of each class of voting securities of the issuer to the knowledge of the issuer held in escrow.

ESCROWED SECURITIES

Designation of security (per class)	Number of securities held in escrow	Percentage in relation to that class
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2. Also disclose the name of the depository, the conditions governing the release of the shares from escrow and the date, if the latter can be determined.

Instructions

The information is requested as of a specified date within 30 days prior to the date of the offering memorandum.

Item 14: Auditors, transfer agents and registrars

1. State the name and address of the auditor.
2. In the case of a share distribution, provide the names of the transfer agent and the registrar of the issuer and indicate the city in which the registers of transfer of each class of shares are kept.
3. Name the city where the registers of transfer of the issuer's securities are kept.

Item 15: Material contracts

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Give particulars of every material contract entered into within the 2 year prior to the date of the offering memorandum by the issuer or any of its subsidiaries; give, in particular, the date of the contract, the name of the parties and a brief description. State the conditions under which any such contract or a copy thereof may be inspected during distribution of the securities being offered.

Instructions

1. *Set out a complete list of all material contracts indicating those which are disclosed elsewhere in the offering memorandum and provide particulars with respect to those material contracts about which particulars are not given elsewhere in the offering memorandum. This Item does not require disclosure of contracts entered into in the ordinary course of business.*

2. *Particulars of contracts need not be disclosed if the Commission determines that such disclosure or making available would impair the value of the contract and would not be necessary for the protection of investors.*

Item 16:

Incorporation within one year

Where a company has not been incorporated for more than one year prior to the date to which the most recent balance sheet contained in the offering memorandum is drawn up, state the amount or estimated amount of preliminary expenses, showing administrative and development expenses separately, including the amount already expended and the estimated future expenditures in each case.

Item 17:

Tax status

1. *State in general terms how the income and capital gains of the issuer are taxed.*

2. *State in general terms the tax consequences to the securities holders of:*

- (1) the acquisition of the securities;*
- (2) any form of distribution;*
- (3) the repurchase of the securities;*
- (4) the sale of the securities.*

In answering this item, more particularly the Québec Income Tax Act has to be taken into account.

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Item 18: Financial forecasts

The issuer which prepares financial forecasts must do so in accordance with the policy statements of the Commission; they must be included in the offering memorandum, accompanied with the accountant's comments.

Item 19: Conflicts of interests

Declare any situation of conflict of interests for the issuer, the distributor, the promotor, 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 20: Other material facts

Give particulars of any other material facts regarding the distribution.

Item 21: 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 22: Warning

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 representation to the contrary is an offence."

Item 23: Signatures

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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
<i>Per unit</i>			
<i>Total</i>			

* Not applicable where it is 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.

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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 5 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.

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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 2 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 development of the business sector in which the issuer is engaged or proposed to engage in.

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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. List separately the officers and the directors. In the case of a director who is not a full time employee of the issuer, give only his present function.

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.

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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 promotor, 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 purchases 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

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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 2 senior executives of the issuer and by the promoter. It must also be signed by the dealer, if any.

O.C. 977-88, s. 34.

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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 that 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	78
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

-MBER 19, 1990

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

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

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

Ontario Securities Commission
Suite 1500, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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

The Director, Corporations Branch
Consumer and Corporate
Affairs Canada
Place du Portage
Ottawa/Hull
K1A 0G3

The Manitoba Securities
Commission
1128-405 Broadway
Winnipeg, Manitoba
R3C 3L6

Saskatchewan Securities
Commission
8th Floor
1814 Hamilton Street
Regina, Saskatchewan
S4P 3V7

O.C. 660-83, Form 1; Errata, 1985 G.O. 2, 1121; O.C. 977-88, s. 35.

IN FORCE FROM OCTOBER 12, 1989 TO DECEMBER 19, 1990

**FORM 2
APPLICATION FOR REGISTRATION AS A DEALER OR ADVISER***

SECTION A

1. APPLICANT

Name	Dealer <input type="checkbox"/> Adviser <input type="checkbox"/>
Address of principal establishment	Area code: Tel.:
Address for service in Québec	Area code: Tel.:
Name of senior executive responsible for the activities in Québec	

2. CATEGORIES OF DEALERS OR ADVISERS

Check the appropriate box:

(1) **DEALER**

(a) unrestricted practice (b) restricted practice

- security issuer **

- discount broker

- financial intermediary

- mutual funds

- investment contracts

- scholarship plans

- other (state)

Do you intend to offer portfolio management services? Yes No

(2) **ADVISER**

(a) unrestricted practice (b) restricted practice

3. FINANCIAL YEAR

Closing date	YEAR	MONTH	DAY
--------------	------	-------	-----

* Any natural person applying for registration as a dealer of adviser must also complete Form 3.

** An security issuer need not answer items 7(6), 12 and 17.

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4. AUDITOR

Name
Address

5. BANKS

Names of all the banks of caisses populaires, including the addresses of all branches where the applicant keeps a line of credit or an account.

Name	Address

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.												

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(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		
	TOTAL		

8. PARTNERSHIPS

(1) Date constituted	YEAR	MONTH	DAY	Date registered	YEAR	MONTH	DAY
(2) SHARE OF PARTNERS.	Attach a list of shares of each partner in the capital stock and in the earnings of the partnership.						
(3) BENEFICIAL OWNERSHIP.	Are the persons mentioned in the preceding paragraph the owners of their shares of the capital of the partnership?		YES	NO			
			<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"/>

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10. PREVIOUS REGISTRATION

<i>Under a securities law or regulation enacted in Québec or elsewhere.</i>		
	YES	NO
(1) <i>has the applicant previously obtained registration or a permit?</i>	<input type="checkbox"/>	<input type="checkbox"/>
(2) <i>if YES, does he still hold the registration or the permit?</i>	<input type="checkbox"/>	<input type="checkbox"/>
(3) <i>if NO, has he previously made such application?</i>	<input type="checkbox"/>	<input type="checkbox"/>

11. REFUSAL OF REGISTRATION, SUSPENSION OR WITHDRAWAL OF RIGHTS CONFERRED BY REGISTRATION

<i>Under a securities law or regulation enacted in Québec, or elsewhere.</i>		
	YES	NO
(1) <i>has the applicant been refused registration?</i>	<input type="checkbox"/>	<input type="checkbox"/>
(2) <i>have the rights conferred by registration been suspended?</i>	<input type="checkbox"/>	<input type="checkbox"/>
(3) <i>have the rights conferred by registration been withdrawn?</i>	<input type="checkbox"/>	<input type="checkbox"/>

12. STOCK EXCHANGE, DEALERS' ASSOCIATION.

<i>Has the candidate previously been</i>		
	YES	NO
(1) <i>admitted?</i>	<input type="checkbox"/>	<input type="checkbox"/>
(2) <i>refused?</i>	<input type="checkbox"/>	<input type="checkbox"/>
(3) <i>suspended?</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>as a member of a stock exchange, a dealers' or securities advisers' association or a professional association in Québec or elsewhere?</i>		

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13. FRAUDS, CRIMES

<i>Has the applicant:</i>		
<i>(1) (a) been found guilty of an offence under a securities law or regulation enacted in Québec or elsewhere?</i>	<i>YES</i> <input type="checkbox"/>	<i>NO</i> <input type="checkbox"/>
<i>(b) been found guilty of fraud or theft related to a securities transaction?</i>	<i>YES</i> <input type="checkbox"/>	<i>NO</i> <input type="checkbox"/>
<i>(c) been involved in an injunction following a fraudulent transaction?</i>	<i>YES</i> <input type="checkbox"/>	<i>NO</i> <input type="checkbox"/>
<i>(2) been found guilty in the last 10 years of a criminal offence under a law enacted in Québec or elsewhere?</i>	<i>YES</i> <input type="checkbox"/>	<i>NO</i> <input type="checkbox"/>

14. COURT PROCEEDINGS

<i>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?</i>	<i>YES</i> <input type="checkbox"/>	<i>NO</i> <input type="checkbox"/>

15. BANKRUPTCY

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

16. JUDGMENT FOR DAMAGES

<i>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?</i>	<i>YES</i> <input type="checkbox"/>	<i>NO</i> <input type="checkbox"/>

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17. INSURANCE OR SURETY

(1) CONTRACT FOR UNIVERSAL SURETY Name of the insurance company _____ Attach details respecting the amount of the coverage for each category of risks, the deductible, the date of coming into force and the term of the contract.							
(2) POSTAL INSURANCE Name of the insurance company _____ Amount of coverage <input style="width: 50px;" type="text"/> Deductible <input style="width: 50px;" type="text"/> Expiry Date							
	YR.	MON.	DAY				
(3) OTHER Provide all details _____							
(4) DEMANDS FOR SETTLEMENT Have demands for settlement been made to your insurance company during the last financial year?							
						YES <input checked="" 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 initialed 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 whereunto, I have signed _____

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.

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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.*

O.C. 660-83, Form. 2; Errata, 1985 G.O. 2, 1121; O.C. 977-88, s. 36.

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**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 2 duly signed copies of the application to the self-regulatory agency responsible for auditing the books of the applicant's firm.

RESERVED FOR THE SELF-REGULATORY AGENCY

Confirmation of answer # 7 Other confirmation

Application approved by Date

7. The senior executive of an issuer-distributor does not need to answer Items 6 and 20, nor Section D.

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SECTION A

1. APPLICANT

<i>Surname</i>	<i>First name</i>	<i>Social insurance number</i>
<i>Applicant's address (including postal code)</i>		<i>Area code:</i> <i>Tel. No.:</i>
<i>Address for service in Québec</i>		
<i>Position with the firm</i>		<i>Date of beginning of employment</i> YEAR MONTH DAY

2. FIRM

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

3. NATURE OF REGISTRATION APPLIED FOR:

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.

REGISTRATION (Representative)

- Unrestricted*
- Financial intermediary*
- Stock exchange representative*
- Trader*
- Mutual fund*
- Investment contracts*

- Futures contracts*
- Scholarship plans*
- Other (specify) _____*

CERTIFICATION (senior executive)

- Director*
- Officer*
- Shareholder ___ % of securities held*

- Branch manager*
- Director, shareholder or senior executive of a certified subsidiary*

- Other (specify) _____*

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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 checked="" type="checkbox"/> Winnipeg Stock Exchange		
<input type="checkbox"/> Toronto Stock Exchange	<input type="checkbox"/> Others (specify) _____		
<input type="checkbox"/> Toronto Futures Exchange			

SECTION B

5. IDENTIFICATION

Date of birth			Place of birth (town)	Province	Country	Citizenship	Sex
Year	Month	Day					
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 2 black and white full face photographs (5 cm x 5 cm), taken during the last 6 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		
Others		

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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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Course No. 2 Part 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Part 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Fellow of the Canadian Securities Institute	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial analyst certification course	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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 future contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Branch manager examination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Examination for future contracts officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Others (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

* In case of exemption, attach supporting documents.

(2) Have you been refused an exemption for any of the courses listed above? If Yes, explain or attach supporting documents.

8. EXPERIENCE

An applicant who files an application with the Canadian Investment Dealers Association or the Montreal, Toronto or Vancouver stock exchanges is required to mention any employment in any of those agencies or any other body mentioned in paragraph 1 of Question 14.

(1) Provide a complete description of your affairs, including the periods you worked or were unemployed during the last 10 years preceding the date of this application.

Name and address of employer	Name and position of immediate superior	Nature of employment and position of applicant	Reason for leaving	FROM		TO	
				Yr.	Mon.	Yr.	Mon.
Present employer							
Previous employers							

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(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 15 years.

Address (No., street, town, province, postal code)	FROM		TO	
	Yr.	Mon.	Yr.	Mon.
<i>PRESENT ADDRESS</i>				
<i>FORMER ADDRESSES</i>				

10. PROFESSIONAL REFERENCES

Provide at least 3 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 (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?

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12. PREVIOUS REGISTRATIONS

The registration mentioned in paragraphs 1 and 2 of Question 12 and 1, 2 and 3 of Question 13 means any authorization procedure established by a law or a regulation respecting trading of securities, commodities or future 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 future 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 ever been 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 future contracts? _____

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

(5) Has a self-regulatory securities, commodities or future 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? _____

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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 future contract 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 future 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 10 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 10 years under a law enacted in Québec or elsewhere in respect of a criminal offence mentioned in 1 or 2?

16. CIVIL PROCEEDINGS

(1) Has a company of which you are or have been a 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?

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(2) Under a law enacted in Québec or elsewhere, has there been any court proceedings taken

(a) against you? _____

(b) against 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 10 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 10 years? _____

(b) made an assignment of its property during the last 10 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 10 years, by a civil court in Québec or elsewhere? _____

19. SURETY

(1) Has surety been refused you during the last 10 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? _____

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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 future 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.

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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 follow:

_____ 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 FORCE FROM OCTOBER 12, 1989 TO DECEMBER 19, 1990

In witness whereof, 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*

O.C. 660-83, Form. 3; Errata, 1985 G.O. 2, 1121; O.C. 977-88, s. 37.

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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	Color 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)			



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3. EXPERIENCE

Provide a complete description of your affairs, including the periods you worked or were unemployed during the last 10 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	FROM		TO	
			Yr.	M.	Yr.	M.
PRESENT EMPLOYER						
PREVIOUS EMPLOYERS						

4. RESIDENCE. Provide the required information for the last 10 years.

Address (number, street, town, province, postal code)	FROM		TO	
	Yr.	M.	Yr.	M.
PRESENT ADDRESS				
FORMER ADDRESSES				

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5. PROFESSIONAL REFERENCES

Provide at least 3 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 10 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 10 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) as 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 10 years?

(b) made an assignment of its property during the last 10 years?

(c) has a sequestrator or a trustee appointed by its creditors or at their request taken possession of its property?

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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 10 years, by a civil court in Québec or elsewhere?

SWORN DECLARATION

*I the undersigned, _____ being duly sworn,
Surname, first name*

declare that the statements made in this form or in the schedules are correct.

In witness whereof, 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 a document 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.

D. 977-88, a. 38.

O.C. 660-83, 1983 G.O. 2, 1269
Errata, 1985 G.O. 2, 1121

Amendments

O.C. 1758-84, 1984 G.O. 2, 3277
O.C. 1263-85, 1985 G.O. 2, 2297
O.C. 697-87, 1987 G.O. 2, 1655
L.Q. 1987, c. 95 (O.C. 717-88, 1988 G.O. 2, 2139)
O.C. 977-88, 1988 G.O. 1, 2396