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NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS

PART 1 Definitions and Interpretations

Definitions

1.1 In this Instrument:

“**accredited investor**” has the same meaning as in section 1.1 of NI 45-106;

“**acquisition**” has the same meaning as in Part 8 of NI 51-102;

“**acquisition date**” has the same meaning as in section 1.1 of NI 51-102;

“**acquisition of related businesses**” has the same meaning as in Part 8 of NI 51-102;

“**Aequitas personal information form**” means a personal information form for an individual prepared pursuant to Aequitas NEO Exchange Inc. Form 3, as amended from time to time;

“**alternative credit support**” has the same meaning as in section 13.4 of NI 51-102;

“**asset-backed security**” has the same meaning as in section 1.1 of NI 51-102;

“**base offering**” means the number or principal amount of the securities distributed under a prospectus by an issuer or selling securityholder, excluding

- (a) any over-allotment option granted in connection with the distribution, or the securities issuable on the exercise of any such over-allotment option, and
- (b) securities issued or paid as compensation to a person or company for acting as an underwriter in respect of securities that are distributed under

the prospectus, on an “as-if-converted” basis if these securities include securities that are convertible or exchangeable securities;

“**board of directors**” has the same meaning as in section 1.1 of NI 51-102;

“**business acquisition report**” has the same meaning as in section 1.1 of NI 51-102;

“**business day**” means any day other than a Saturday, a Sunday or a statutory holiday;

“**class**” has the same meaning as in section 1.1 of NI 51-102;

“**credit supporter**” has the same meaning as in section 13.4 of NI 51-102;

“**custodian**” means the institution appointed by an investment fund to act as custodian of the portfolio assets of the investment fund;

“**date of transition to IFRS**” has the same meaning as in section 1.1 of NI 51-102;

“**derivative**” means an instrument, agreement or security, the market price, value or payment obligation of which is derived from, referenced to, or based on an underlying interest;

“**designated foreign jurisdiction**” has the same meaning as in section 1.1 of NI 52-107;

“**designated rating organization**” has the same meaning as in section 1.1 of NI 51-102;

“**DRO affiliate**” has the same meaning as in section 1 of NI 25-101

“**equity investee**” has the same meaning as in section 1.1 of NI 51-102;

“**equity security**” means a security of an issuer that carries a residual right to participate in the earnings of the issuer and, on the liquidation or winding up of the issuer, in its assets;

“**executive officer**” means, for an issuer or an investment fund manager, an individual who is

- (a) a chair, vice-chair or president,
- (a.1) a chief executive officer or chief financial officer
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (c) performing a policy-making function in respect of the issuer or investment fund manager;

“**final prospectus notice**” means,

- (a) in British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Saskatchewan, a written communication relating to a final prospectus if that communication is permitted by a provision in securities legislation listed opposite the jurisdiction in Appendix E, or
- (b) in every other jurisdiction of Canada, a written communication relating to a final prospectus that only
 - (i) identifies the security proposed to be issued,
 - (ii) states the price of the security, and
 - (iii) states the name and address of a person or company from whom purchases of the security may be made and from whom a final prospectus may be obtained;

“financial statements” includes interim financial reports;

“first IFRS financial statements” has the same meaning as in section 1.1 of NI 51-102;

“foreign disclosure requirements” has the same meaning as in section 1.1 of NI 52-107;

“Form 41-101F1” means Form 41-101F1 *Information Required in a Prospectus* of this Instrument;

“Form 41-101F2” means Form 41-101F2 *Information Required in an Investment Fund Prospectus* of this Instrument;

“Form 41-101F3” means Form 41-101F3 *Information Required in a Scholarship Plan Prospectus* of this Instrument;

“Form 44-101F1” means Form 44-101F1 *Short Form Prospectus* of NI 44-101;

“Form 51-101F1” means Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* of NI 51-101;

“Form 51-101F2” means Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor* of NI 51-101;

“Form 51-101F3” means Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure* of NI 51-101;

“Form 51-102F1” means Form 51-102F1 *Management’s Discussion & Analysis* of NI 51-102;

“Form 51-102F2” means Form 51-102F2 *Annual Information Form* of NI 51-102;

“Form 51-102F4” means Form 51-102F4 *Business Acquisition Report* of NI 51-102;

“Form 51-102F5” means Form 51-102F5 *Information Circular* of NI 51-102;

“Form 51-102F6” means Form 51-102F6 *Statement of Executive Compensation* of NI 51-102;

“Form 51-102F6V” means Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* of NI 51-102;

“Form 52-110F1” means Form 52-110F1 *Audit Committee Information Required in an AIF* of NI 52-110;

“Form 52-110F2” means Form 52-110F2 *Disclosure by Venture Issuers* of NI 52-110;

“Form 58-101F1” means Form 58-101F1 *Corporate Governance Disclosure* of NI 58-101;

“Form 58-101F2” means Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)* of NI 58-101;

“full and unconditional credit support” means

- (a) alternative credit support that
 - (i) entitles the holder of the securities to receive payment from the credit supporter, or enables the holder to receive payment from the issuer, within 15 days of any failure by the issuer to make a payment, and
 - (ii) results in the securities receiving the same credit rating as, or a higher credit rating than, the credit rating they would have received if payment had been fully and unconditionally guaranteed by the credit supporter, or would result in the securities receiving such a rating if they were rated, or
- (b) a full and unconditional guarantee of the payments to be made, as interpreted in section 1.5, by the issuer of securities, as stipulated in the terms of the securities or in an agreement governing rights of holders of the securities, that results in the holder of such securities being entitled to receive payment from the credit supporter within 15 days of any failure by the issuer to make a payment;

“independent review committee” means an independent review committee under NI 81-107;

“information circular” has the same meaning as in section 1.1 of NI 51-102;

“interim period” has the same meaning as in

- (a) section 1.1 of NI 51-102 for an issuer other than an investment fund, or
- (b) section 1.1 of NI 81-106 for an investment fund;

“investment dealer” has the same meaning as in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations;

“IPO venture issuer” means an issuer that

- (a) files a long form prospectus,
- (b) is not a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus, and
- (c) at the date of the long form prospectus, does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on
 - (i) the Toronto Stock Exchange,
 - (i.1) Aequitas NEO Exchange Inc.,
 - (ii) a U.S. marketplace, or
 - (iii) a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc;

“issuer’s GAAP” has the same meaning as in section 1.1 of NI 52-107;

“junior issuer” means an issuer

- (a) that files a preliminary prospectus,
- (b) that is not a reporting issuer in any jurisdiction,
- (c) whose total consolidated assets as at the date of the most recent statement of financial position of the issuer included in the preliminary prospectus are less than \$10,000,000,
- (d) whose consolidated revenue as shown in the most recent annual statement of comprehensive income of the issuer included in the preliminary prospectus is less than \$10,000,000, and

- (e) whose equity as at the date of the most recent statement of financial position of the issuer included in the preliminary prospectus is less than \$10,000,000,

taking into account all adjustments to asset, revenue and equity calculations necessary to reflect each significant proposed acquisition of a business or related business by an issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high, and each completed significant acquisition of a business or related business that was completed,

- (f) for paragraphs (c) and (e), before the date of the preliminary prospectus and after the date of the issuer's most recent statement of financial position included in the preliminary prospectus as if each acquisition had taken place as at the date of the issuer's most recent statement of financial position included in the preliminary prospectus, and
- (g) for paragraph (d), after the last day of the most recent annual statement of comprehensive income of the issuer included in the preliminary prospectus as if each acquisition had taken place at the beginning of the issuer's most recently completed financial year for which a statement of comprehensive income is included in the preliminary prospectus;

"labour sponsored or venture capital fund" has the same meaning as in section 1.1 of NI 81-106;

"lead underwriter" means, in respect of a syndicate of underwriters,

- (a) the underwriter designated under the underwriting agreement to act as the manager of the syndicate, or
- (b) if more than one underwriter is designated under the underwriting agreement to act as a manager of the syndicate, the underwriter designated under the agreement to have primary decision-making authority;

"limited-use version" means a template version in which the spaces for information have been completed in accordance with any of the following:

- (a) subsection 13.7(2) or 13.8(2);
- (b) subsection 7.6(2) of NI 44-101;
- (c) subsection 9A.3(2) of NI 44-102;
- (d) subsection 4A.3(3) of NI 44-103;

“long form prospectus” means a prospectus filed in the form of Form 41-101F1, Form 41-101F2 or Form 41-101F3;

“marketing materials” means a written communication intended for potential investors regarding a distribution of securities under a prospectus that contains material facts relating to an issuer, securities or an offering but does not include the following:

- (a) a prospectus or any amendment;
- (b) a standard term sheet;
- (c) a preliminary prospectus notice;
- (d) a final prospectus notice;

“marketplace” has the same meaning as in section 1.1 of NI 51-102;

“material contract” means any contract that an issuer or any of its subsidiaries is a party to, that is material to the issuer;

“mineral project” has the same meaning as in section 1.1 of NI 43-101;

“NI 14-101” means National Instrument 14-101 *Definitions*;

“NI 25-101” means National Instrument 25-101 *Designated Rating Organizations*;

“NI 33-105” means National Instrument 33-105 *Underwriting Conflicts*;

“NI 43-101” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;

“NI 44-101” means National Instrument 44-101 *Short Form Prospectus Distributions*;

“NI 44-102” means National Instrument 44-102 *Shelf Distributions*;

“NI 44-103” means National Instrument 44-103 *Post-Receipt Pricing*;

“NI 45-106” means National Instrument 45-106 *Prospectus Exemptions*;

“NI 51-101” means National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*;

“NI 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*;

“NI 52-107” means National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

"NI 52-110" means National Instrument 52-110 *Audit Committees*;

"NI 58-101" means National Instrument 58-101 *Disclosure of Corporate Governance Practices*;

"NI 81-101" means National Instrument 81-101 *Mutual Fund Prospectus Disclosure*;

"NI 81-102" means National Instrument 81-102 *Investment Funds*;

"NI 81-106" means National Instrument 81-106 *Investment Fund Continuous Disclosure*;

"NI 81-107" means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

"non-voting security" means a restricted security that does not carry the right to vote generally, except for a right to vote that is mandated, in special circumstances, by law;

"old financial year" means the financial year of an issuer that immediately precedes a transition year;

"over-allocation position" means the amount, determined as at the closing of a distribution, by which the aggregate number or principal amount of securities that are sold by one or more underwriters of the distribution exceeds the base offering;

"over-allotment option" means a right granted to one or more underwriters by an issuer or a selling securityholder of the issuer in connection with the distribution of securities under a prospectus to acquire, for the purposes of covering the underwriter's over-allocation position, a security of an issuer that has the same designation and attributes as a security that is distributed under such prospectus, and which

- (a) expires not later than the 60th day after the date of the closing of the distribution, and
- (b) is exercisable for a number or principal amount of securities that is limited to the lesser of
 - (i) the over-allocation position, and
 - (ii) 15% of the base offering;

"personal information form" means,

- (a) a completed Schedule 1 of Appendix A,
- (b) a completed TSX/TSXV personal information form submitted by an individual to the Toronto Stock Exchange or to the TSX Venture Exchange

to which is attached a completed certificate and consent in the form set out in Schedule 1 – Part B of Appendix A; or

- (c) a completed Aequitas personal information form submitted by an individual to Aequitas NEO Exchange Inc., to which is attached a completed certificate and consent in the form set out in Schedule 1 – Part B of Appendix A;

“plan summary” means a document prepared in accordance with the requirements of Part A of Form 41-101F3;

“predecessor personal information form” means,

- (a) a completed Schedule 1 of Appendix A in the form that was in effect from March 17, 2008 until May 14, 2013, or
- (b) a completed TSX/TSXV personal information form to which is attached a completed certificate and consent in the form that was in effect from March 17, 2008 until May 14, 2013;

“preliminary prospectus notice” means,

- (a) in a jurisdiction other than Québec, a communication relating to a preliminary prospectus if that communication is permitted by a provision in securities legislation listed opposite the jurisdiction in Appendix D, or
- (b) in Québec, a written communication relating to a preliminary prospectus that only
 - (i) identifies the security proposed to be issued,
 - (ii) states the price of the security, if determined, and
 - (iii) states the name and address of a person or company from whom purchases of the security may be made and from whom a preliminary prospectus may be obtained;

“principal securityholder” means a person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the issuer;

“private issuer” has the same meaning as in section 2.4 of NI 45-106;

“profit or loss attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“profit or loss from continuing operations attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“publicly accountable enterprise” has the same meaning as in Part 3 of NI 52-107;

“related credit supporter” of an issuer means a credit supporter of the issuer that is an affiliate of the issuer;

“restricted security” means an equity security that is not a preferred security of an issuer if any of the following apply:

- (a) there is another class of securities of the issuer that carries a greater number of votes per security relative to the equity security,
- (b) the conditions attached to the class of equity securities, the conditions attached to another class of securities of the issuer, or the issuer's constating documents have provisions that nullify or significantly restrict the voting rights of the equity securities,
- (c) the issuer has issued another class of equity securities that entitle the owners of securities of that other class to participate in the earnings or assets of the issuer to a greater extent, on a per security basis, than the owners of the first class of equity securities, or
- (d) except in Ontario and British Columbia, the regulator determines that the equity security is a restricted security;

“restricted security reorganization” means any event resulting in the creation of restricted securities, directly or through the creation of subject securities or securities that are, directly or indirectly, convertible, or exercisable or exchangeable for, restricted securities or subject securities or any change in the rights attaching to restricted securities, subject securities or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, restricted securities or subject securities, including

- (a) any
 - (i) amendment to an issuer's constating documents,
 - (ii) resolution of the board of directors of an issuer setting the terms of a series of securities of the issuer, or
 - (iii) restructuring, recapitalization, reclassification, arrangement, amalgamation or merger, or
- (b) if the issuer has one or more classes of restricted securities outstanding, an amendment to an issuer's constating documents to increase

- (i) the per security voting rights attached to any class of securities without at the same time making a proportionate increase in the per security voting rights attached to any other securities of the issuer, or
- (ii) the number of a class of securities authorized, other than a restricted security;

“restricted security term” means each of the terms “non-voting security”, “subordinate voting security”, and “restricted voting security”;

“restricted voting security” means a restricted security that carries a right to vote subject to a restriction on the number or percentage of securities that may be voted or owned by one or more persons or companies, unless the restriction is

- (a) permitted or prescribed by statute or regulation, and
- (b) is applicable only to persons or companies that are not citizens or residents of Canada or that are otherwise considered as a result of any law applicable to the issuer to be non-Canadians;

“restructuring transaction” has the same meaning as in section 1.1 of NI 51-102;

“retrospective” has the same meaning as in section 1.1 of NI 51-102;

“retrospectively” has the same meaning as in section 1.1 of NI 51-102;

“reverse takeover” has the same meaning as in section 1.1 of NI 51-102;

“reverse takeover acquirer” has the same meaning as in section 1.1 of NI 51-102;

“road show” means a presentation to potential investors, regarding a distribution of securities under a prospectus, conducted by one or more investment dealers on behalf of an issuer in which one or more executive officers, or other representatives, of the issuer participate;

“SEC issuer” has the same meaning as in section 1.1 of NI 52-107;

“short form prospectus” means a prospectus filed in the form of Form 44-101F1;

“special warrant” means a security that, by its terms or the terms of an accompanying contractual obligation,

- (a) entitles or requires the holder to acquire another security without payment of material additional consideration and obliges the issuer of either security to undertake efforts to file a prospectus to qualify the distribution of the other security, or

- (b) entitles or requires the holder to acquire another security without payment of material additional consideration and the issuer files a prospectus to qualify the distribution of the other security;

“standard term sheet” means a written communication intended for potential investors regarding a distribution of securities under a prospectus that contains no information other than that referred to in subsections 13.5(2) and (3), subsections 13.6(2) and (3), subsections 7.5(2) and (3) of NI 44-101, subsections 9A.2(2) and (3) of NI 44-102 or subsections 4A.2(2) and (3) of NI 44-103, relating to an issuer, securities or an offering, but does not include the following:

- (a) a preliminary prospectus notice;
- (b) a final prospectus notice;

“subject security” means a security that results, or would result if and when issued, in an existing class of securities being considered restricted securities;

“subordinate voting security” means a restricted security that carries a right to vote, if there are securities of another class outstanding that carry a greater right to vote on a per security basis;

“template version” means a version of a document with spaces for information to be added in accordance with any of the following:

- (a) subsection 13.7(2) or 13.8(2);
- (b) subsection 7.6(2) of NI 44-101;
- (c) subsection 9A.3(2) of NI 44-102;
- (d) subsection 4A.3(3) of NI 44-103;

“transition year” means the financial year of an issuer or business in which the issuer or business changes its financial year-end;

“TSX/TSXV personal information form” means a personal information form for an individual pursuant to Toronto Stock Exchange Form 4 or TSX Venture Exchange Form 2A, each as amended from time to time;

“U.S. AICPA GAAS” has the same meaning as in section 1.1 of NI 52-107;

“U.S. GAAP” has the same meaning as in section 1.1 of NI 52-107;

“U.S. marketplace” has the same meaning as in section 1.1 of NI 51-102;

“U.S. PCAOB GAAS” has the same meaning as in section 1.1 of NI 52-107;

“venture issuer” has the same meaning as in section 1.1 of NI 51-102 except the “applicable time” is the date the prospectus is filed;

“waiting period” means the period of time between the issuance of a receipt by the regulator for a preliminary prospectus and the issuance of a receipt by the regulator for a final prospectus.

1.2 Interpretation of “prospectus”, “preliminary prospectus”, “final prospectus”, “long form prospectus”, and “short form prospectus”

- (1) In this Instrument, a reference to a “prospectus” includes a preliminary long form prospectus, a final long form prospectus, a preliminary short form prospectus, and a final short form prospectus.
- (2) In this Instrument, a reference to a “preliminary prospectus” includes a preliminary long] form prospectus and a preliminary short form prospectus.
- (3) In this Instrument, a reference to a “final prospectus” includes a final long form prospectus and a final short form prospectus.
- (4) In this Instrument, a reference to a “long form prospectus” includes a preliminary long form prospectus and a final long form prospectus.
- (5) In this Instrument, a reference to a “short form prospectus” includes a preliminary short form prospectus and a final short form prospectus.
- (6) Despite subsections (1), (2), and (3), in Form 41-101F1, Form 41-101F2 and Form 41-101F3,
 - (a) a reference to a “prospectus” only includes a preliminary long form prospectus and a final long form prospectus,
 - (b) a reference to a “preliminary prospectus” only includes a preliminary long form prospectus, and
 - (c) a reference to a “final prospectus” only includes a final long form prospectus.

Interpretation of “business”

- 1.3 In this Instrument, unless otherwise stated, a reference to a business includes an interest in an oil and gas property to which reserves, as defined in NI 51-101, have been specifically attributed.

Interpretation of “affiliate”

- 1.4 In this Instrument, an issuer is an affiliate of another issuer if the issuer would be an affiliate of the other issuer under subsection 1.1(2) of NI 51-102.

Interpretation of “payments to be made”

- 1.5 For the purposes of the definition of “full and unconditional credit support”, payments to be made by an issuer of securities as stipulated in the terms of the securities include
- (a) any amounts to be paid as dividends in accordance with, and on the dividend payment dates stipulated in, the provisions of the securities, whether or not the dividends have been declared, and
 - (b) any discretionary dividends, provided that the terms of the securities or an agreement governing rights of holders of the securities expressly provides that the holder of the securities will be entitled, once the discretionary dividend is declared, to receive payment from the credit supporter within 15 days of any failure by the issuer to pay the declared dividend.

PART 2 Requirements for All Prospectus Distributions

Application of the Instrument

- 2.1 (1) Subject to subsection (2), this Instrument applies to a prospectus filed under securities legislation and a distribution of securities subject to the prospectus requirement.
- (2) This Instrument does not apply to a prospectus filed under NI 81-101 or a distribution of securities under such a prospectus.

Language

- 2.2 (1) An issuer must file a prospectus and any other document required to be filed under this Instrument or NI 44-101 in French or in English.
- (2) In Québec, a prospectus and any document required to be incorporated by reference into a prospectus must be in French or in French and English.
- (3) Despite subsection (1), if an issuer files a document only in French or only in English but delivers to an investor or prospective investor a version of the document in the other language, the issuer must file that other version not later than when it is first delivered to the investor or prospective investor.

- (4) If an issuer files a document under this Instrument that is a translation of a document prepared in a language other than French or English, the issuer must
 - (a) attach a certificate as to the accuracy of the translation to the filed document, and
 - (b) make a copy of the document in the original language available on request.

General requirements

- 2.3 (1) An issuer must not file its first amendment to a preliminary prospectus more than 90 days after the date of the receipt for the preliminary prospectus.
 - (1.1) An issuer must not file a final prospectus more than 90 days after the date of the receipt for the preliminary prospectus or an amendment to the preliminary prospectus which relates to the final prospectus.
 - (1.2) If an issuer files an amendment to a preliminary prospectus, the final prospectus must be filed within 180 days from the date of the receipt of the preliminary prospectus.
- (2) An issuer must not file
 - (a) a prospectus more than three business days after the date of the prospectus, and
 - (b) an amendment to a prospectus more than three business days after the date of the amendment to the prospectus.

Special warrants

- 2.4 (1) An issuer must not file a prospectus or an amendment to a prospectus to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis unless holders of the special warrants or other securities have been provided with a contractual right of rescission.
- (2) A contractual right of rescission under subsection (1) must provide that, if a holder of a special warrant who acquires another security of the issuer on exercise of the special warrant as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder's exercise of its special warrant and the private placement transaction under which the special warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the special warrant, and
- (c) if the holder is a permitted assignee of the interest of the original special warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

PART 3 Form of Prospectus

Form of prospectus

- 3.1**
- (1) Subject to subsections (2), (2.1) and (3), an issuer filing a prospectus must file the prospectus in the form of Form 41-101F1.
 - (2) An issuer that is an investment fund other than a scholarship plan filing a prospectus must file the prospectus in the form of Form 41-101F2.
 - (2.1) An issuer that is a scholarship plan filing a prospectus must file the prospectus in the form of Form 41-101F3
 - (3) An issuer that is qualified to file a short form prospectus may file a short form prospectus.

PART 3A Scholarship Plan Prospectus Requirements

Plain language and presentation

- 3A.1**
- (1) A scholarship plan prospectus must be prepared using plain language and in a format that assists in readability and comprehension.
 - (2) A scholarship plan prospectus must
 - (a) present all information briefly and concisely,
 - (b) present the items listed in Parts A to D of Form 41-101F3 in the order set out in those parts,
 - (c) use only the headings and sub-headings prescribed by Form 41-101F3 unless stated otherwise,
 - (d) contain only information that is specifically mandated or permitted by Form 41-101F3, and

- (e) not incorporate by reference into the scholarship plan prospectus, information that is required to be included in a scholarship plan prospectus.
- (3) A plan summary must
- (a) be prepared for each scholarship plan offered under a scholarship plan prospectus or multiple scholarship plan prospectus, and
 - (b) not exceed 4 pages in length.

Combinations of documents

- 3A.2** (1) Subject to subsection (2), a scholarship plan prospectus may be consolidated with one or more scholarship plan prospectuses to form a multiple scholarship plan prospectus.
- (2) A scholarship plan prospectus must not be consolidated with one or more scholarship plan prospectuses to form a multiple scholarship plan prospectus unless the portions of each scholarship plan prospectus prepared in accordance with the requirements of Parts B and D of Form 41-101F3 are substantially similar.

Order of contents of bound documents

- 3A.3** If documents are attached to, or bound with, a scholarship plan prospectus or multiple scholarship plan prospectus
- (a) the scholarship plan prospectus or multiple scholarship plan prospectus must be the first document contained in the package, and
 - (b) no pages must come before the scholarship plan prospectus or multiple scholarship plan prospectus other than, at the option of the scholarship plan, a general front cover and table of contents pertaining to the entire package.

Plan summary

- 3A.4** (1) Despite section 3A.3, a plan summary must not be attached to, or bound with, any other part of a scholarship plan prospectus, or to any other document, except as provided in this section.
- (2) A plan summary of a scholarship plan may be attached to or bound with one or more plan summaries of other scholarship plans if the binding, to a reasonable person, would help present the information in a simple, accessible and comparable format.

Documents to be delivered or sent upon request

- 3A.5 (1)** On request by a person or company, a scholarship plan must deliver or send a copy of one or more the following documents free of charge to the person or company:
- (a) the scholarship plan prospectus or multiple scholarship plan prospectus;
 - (b) any document incorporated by reference into the scholarship plan prospectus;
 - (c) any portion of a document described in paragraph (a) or (b).
- (2)** A document requested under subsection (1) must be delivered or sent within 3 business days of receipt of the request.

PART 4 Financial Statements and Related Documents in a Long Form Prospectus

Application

- 4.1 (1)** An issuer, other than an investment fund, that files a long form prospectus must include in the long form prospectus the financial statements and the management's discussion and analysis required by this Instrument.
- (2)** Subject to Part 15, an investment fund that files a long form prospectus must include in the long form prospectus the financial statements and the management reports of fund performance required by this Instrument.
- (3)** For the purposes of this Part, "financial statements" do not include pro forma financial statements.

Audit of financial statements

- 4.2 (1)** Any financial statements included in a long form prospectus filed in the form of Form 41-101F1 must be audited in accordance with NI 52-107 unless an exception in section 32.5 or subsection 35.1(3) of Form 41-101F1 applies.
- (2)** Any financial statements, other than an interim financial report, included in or incorporated by reference into a long form prospectus of an investment fund filed the form of Form 41-101F2 or Form 41-101F3 must meet the audit requirements of Part 2 of NI 81-106.

Review of unaudited financial statements

- 4.3 (1) Subject to subsection (2) and (3), any unaudited financial statements included in, or incorporated by reference into, a long form prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by the person or company's auditor or a review of financial statements by a public accountant.
- (2) Subsection (1) does not apply to an investment fund's unaudited financial statements filed after the date of filing of the prospectus that are incorporated by reference into the prospectus under Part 15.
- (3) If NI 52-107 permits the financial statements of the person or company in subsection (1) to be audited in accordance with
- (a) U.S. AICPA GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the American Institute of Certified Public Accountants,
 - (a.1) U.S. PCAOB GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the Public Company Accounting Oversight Board (United States of America),
 - (b) International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with International Standards on Review Engagement issued by the International Auditing and Assurance Standards Board, or
 - (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the person or company is subject, the unaudited financial statements
 - (i) may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction, or
 - (ii) do not have to be reviewed if
 - (A) the designated foreign jurisdiction does not have review standards for unaudited financial statements, and
 - (B) the long form prospectus includes disclosure that the unaudited financial statements have not been reviewed.

Approval of financial statements and related documents

- 4.4 (1) An issuer must not file a long form prospectus unless each financial statement, each management's discussion and analysis, and each management report of fund performance, as applicable, of a person or company included in, or incorporated by reference into, the long form prospectus has been approved by the board of directors of the person or company.
- (2) An investment fund that is a trust must not file a long form prospectus unless each financial statement and each management report of fund performance of the investment fund included in, or incorporated by reference into, the long form prospectus has been approved by the trustee or trustees of the investment fund or another person or company authorized to do so by the constating documents of the investment fund.

PART 5 Certificates

Interpretation

5.1 For the purposes of this Part,

- (a) **"issuer certificate form"** means a certificate in the form set out in
- (i) section 37.2 of Form 41-101F1,
 - (ii.1) section 9.1 of Part D of Form 41-101F3
 - (ii) section 39.1 of Form 41-101F2,
 - (iii) section 21.2 of Form 44-101F1,
 - (iv) NI 44-102 in
 - (A) section 1.1 of Appendix A,
 - (B) section 2.1 of Appendix A,
 - (C) section 1.1 of Appendix B, or
 - (D) section 2.1 of Appendix B, or
 - (v) NI 44-103 in
 - (A) paragraph 7 of subsection 3.2(1), or
 - (B) paragraph 3 of subsection 4.5(2), and

- (b) **“underwriter certificate form”** means a certificate in the form set out in
- (i) section 37.3 of Form 41-101F1,
 - (ii.1) section 9.3 of Part D of Form 41-101F3.
 - (ii) section 39.3 of Form 41-101F2,
 - (iii) section 21.3 of Form 44-101F1,
 - (iv) NI 44-102 in
 - (A) section 1.2 of Appendix A,
 - (B) section 2.2 of Appendix A,
 - (C) section 1.2 of Appendix B, or
 - (D) section 2.2 of Appendix B, or
 - (v) NI 44-103 in
 - (A) paragraph 8 of subsection 3.2(1), or
 - (B) paragraph 4 of subsection 4.5(2).

Date of certificates

5.2 The date of the certificates in a prospectus or an amendment to a prospectus must be the same as the date of the prospectus or the amendment to the prospectus, as applicable.

Certificate of issuer

5.3 (1) Except in Ontario, a prospectus must contain a certificate signed by the issuer.

[Note: In Ontario, section 58 of the *Securities Act* (Ontario) imposes a similar requirement that a prospectus contain a certificate of the issuer.]

[Note: In Ontario, a number of prospectus related requirements in this Instrument are either set out in the *Securities Act* (Ontario) or Ontario does not have a similar requirement. We have identified carve-outs from the Instruments where a similar requirement is set out in the *Securities Act* (Ontario). Where no corresponding statutory provision has been identified for an Ontario carve-out, Ontario has generally not adopted a similar requirement. Notes included in this Instrument have been inserted for

convenience of reference only and do not form part of this Instrument or have any force or effect as a rule or policy.

- (2) A prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be in the applicable issuer certificate form.

Corporate issuer

- 5.4 (1) Except in Ontario, if the issuer is a company, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed
 - (a) by the chief executive officer and the chief financial officer of the issuer, and
 - (b) on behalf of the board of directors, by
 - (i) any two directors of the issuer, other than the persons referred to in paragraph (a) above, or
 - (ii) if the issuer has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the issuer.
- (2) Except in Ontario, if the regulator is satisfied that either or both of the chief executive officer or chief financial officer cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another officer.

[Note: In Ontario, section 58 of the *Securities Act* (Ontario) imposes similar requirements regarding who must sign the issuer certificate.]

Trust issuer

- 5.5 (1) If the issuer is a trust, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed by
 - (a) the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company, and
 - (b) two trustees of the issuer, on behalf of the trustees of the issuer.
- (2) If a trustee that is signing the certificate of the issuer is
 - (a) an individual, the individual must sign the certificate,

- (b) a company, the certificate must be signed
 - (i) by the chief executive officer and the chief financial officer of the trustee, and
 - (ii) on behalf of the board of directors of the trustee, by
 - (A) any two directors of the trustee, other than the persons referred to in subparagraph (i), or
 - (B) if the trustee has only three directors, two of whom are the persons referred to in subparagraph (i), all of the directors of the trustee,
 - (c) a limited partnership, the certificate must be signed by each general partner of the limited partnership as described in subsection 5.6(2) in relation to an issuer that is a limited partnership, or
 - (d) not referred to in paragraphs (a), (b) or (c), the certificate may be signed by any person or company with authority to bind the trustee.
- (3) Despite subsections (1) and (2), if the issuer is an investment fund and the declaration of trust, trust indenture or trust agreement establishing the investment fund delegates the authority to do so, or otherwise authorizes an individual or company to do so, the certificate may be signed by the individual or company to whom the authority is delegated or that is authorized to sign the certificate.
 - (4) Despite subsections (1) and (2), if the trustees of an issuer, other than an investment fund, do not perform functions for the issuer similar to those performed by the directors of a company, the trustees are not required to sign the prospectus certificate of the issuer provided that at least two individuals who do perform functions for the issuer similar to those performed by the directors of a company sign the certificate.
 - (5) If the regulator is satisfied that an individual who performs functions for the issuer similar to those performed by either the chief executive officer or the chief financial officer of a company cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another individual.

Limited partnership issuer

- 5.6 (1) If the issuer is a limited partnership, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed by

- (a) the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company, and
 - (b) each general partner of the issuer.
- (2)** If a general partner of the issuer is
- (a) an individual, the individual must sign the certificate,
 - (b) a company, the certificate must be signed
 - (i) by the chief executive officer and the chief financial officer of the general partner, and
 - (ii) on behalf of the board of directors of the general partner, by
 - (A) any two directors of the general partner, other than the persons referred to in subparagraph (i), or
 - (B) if the general partner has only three directors, two of whom are the persons referred to in subparagraph (i), all of the directors of the general partner,
 - (c) a limited partnership, the certificate must be signed by each general partner of the limited partnership and, for greater certainty, this subsection applies to each general partner required to sign,
 - (d) a trust, the certificate must be signed by the trustees of the general partner as described in subsection 5.5(2) in relation to an issuer that is a trust, or
 - (e) not referred to in paragraphs (a) to (d), the certificate may be signed by any person or company with authority to bind the general partner.
- (3)** If the regulator is satisfied that an individual who performs functions for the issuer similar to those performed by either the chief executive officer or the chief financial officer of a company cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another individual.

Other issuer

- 5.7 If an issuer is not a company, trust or limited partnership, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed by the persons or companies that, in relation to the issuer, are in a similar position or perform a similar function to the persons or companies required to sign under sections 5.4, 5.5 and 5.6.

Reverse takeovers

- 5.8 Except in Ontario, if an issuer is involved in a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high, a prospectus must contain a certificate, in the applicable issuer certificate form, signed
- (a) by the chief executive officer and the chief financial officer of the reverse takeover acquirer, and
 - (b) on behalf of the board of directors of the reverse takeover acquirer, by
 - (i) any two directors of the reverse takeover acquirer, other than the persons referred to in paragraph (a) above, or
 - (ii) if the reverse takeover acquirer has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the reverse takeover acquirer.

Certificate of underwriter

- 5.9 (1) Except in Ontario, a prospectus must contain a certificate signed by each underwriter who, with respect to the securities offered by the prospectus, is in a contractual relationship with the issuer or a securityholder whose securities are being offered by the prospectus.

[Note: In Ontario, subsection 59(1) of the *Securities Act* (Ontario) imposes a similar requirement that a prospectus contain a certificate signed by each underwriter in a contractual relationship with the issuer.]

- (2) A prospectus certificate that is required to be signed by an underwriter under this Instrument or other securities legislation must be in the applicable underwriter certificate form.

- (3) Except in Ontario, with the consent of the regulator, a certificate in a prospectus may be signed by the underwriter's agent duly authorized in writing by the underwriter.

[Note: In Ontario, subsection 59(2) of the *Securities Act* (Ontario) provides a similar discretion to the Director to permit the certificate to be signed by an underwriter's agent.]

Certificate of investment fund manager

- 5.10 (1)** If the issuer has an investment fund manager, a prospectus must contain a certificate, in the applicable issuer certificate form, signed by the investment fund manager.
- (2)** If the investment fund manager is a company, the certificate must be signed
- (a) by the chief executive officer and the chief financial officer of the investment fund manager, and
 - (b) on behalf of the board of directors, by
 - (i) any two directors of the investment fund manager, other than the persons referred to in paragraph (a) above, or
 - (ii) if the investment fund manager has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the investment fund manager.
- (3)** If the investment fund manager is a limited partnership, the certificate must be signed by the general partner of such limited partnership as described in subsection 5.6(2) in relation to an issuer that is a limited partnership.

Certificate of principal distributor

- 5.10.1 (1)** If the issuer is an investment fund that has a principal distributor, a prospectus must contain a certificate, in the applicable underwriter certificate form, signed by the principal distributor.
- (2)** The certificate to be signed by the principal distributor must be signed by an officer or director of the principal distributor who is authorized to sign.

Certificate of promoter

- 5.11 (1)** Except in Ontario, a prospectus must contain a certificate signed by each promoter of the issuer.

[**Note:** In Ontario, subsection 58(1) of the *Securities Act* (Ontario) imposes a similar requirement that a prospectus shall contain a certificate signed by each promoter of the issuer.]

- (2) A prospectus certificate required to be signed by a promoter under this Instrument or other securities legislation must be in the applicable issuer certificate form.
- (3) Except in Ontario, the regulator may require any person or company who was a promoter of the issuer within the two preceding years to sign a certificate to the prospectus, in the applicable issuer certificate form.

[**Note:** In Ontario, subsection 58(6) of the *Securities Act* (Ontario) provides the Director with similar discretion to require a person or company who was a promoter of the issuer within the two preceding years to sign a prospectus certificate, subject to such conditions as the Director considers proper.]

- (4) Despite subsection (3), in British Columbia, the powers of the regulator with respect to the matters described in subsection (3) are set out in the *Securities Act* (British Columbia).
- (5) Except in Ontario, with the consent of the regulator, a certificate of a promoter in a prospectus may be signed by an agent duly authorized in writing by the person or company required to sign the certificate.

[**Note:** In Ontario, subsection 58(7) of the *Securities Act* (Ontario) provides the Director with similar discretion to permit a certificate in a prospectus to be signed by an agent of a promoter.

Certificate of credit supporter

- 5.12 (1) If there is a related credit supporter of the issuer or a subsidiary of the issuer, a prospectus must contain a certificate of the related credit supporter, in the applicable issuer certificate form, signed
- (a) by the chief executive officer and the chief financial officer of the credit supporter, and
 - (b) on behalf of the board of directors of the credit supporter, by
 - (i) any two directors of the credit supporter, other than the persons referred to in paragraph (a) above, or
 - (ii) if the credit supporter has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the credit supporter.

- (2) With the consent of the regulator, a certificate in a prospectus may be signed by the credit supporter's agent duly authorized in writing by the credit supporter.
- (3) Except in Ontario, the regulator may require any other person or company that is a credit supporter of either the issuer or a subsidiary of the issuer to sign a certificate to the prospectus, in the applicable issuer certificate form.

[Note: In Ontario, subsection 58(6) of the *Securities Act* (Ontario) provides the Director with similar discretion to require a person or company who is a guarantor of the securities being distributed to sign a prospectus certificate, subject to such conditions as the Director considers proper.]

- (4) Despite subsection (3), in British Columbia, the powers of the regulator with respect to the matters described in subsection (3) are set out in the *Securities Act* (British Columbia).

Certificate of selling securityholders

- 5.13 (1) Except in Ontario, the regulator may require any person or company that is a selling securityholder to sign a certificate to the prospectus, in the applicable issuer certificate form.
- (2) Despite subsection (1), in British Columbia, the powers of the regulator with respect to the matters described in subsection (1) are set out in the *Securities Act* (British Columbia).

Certificate of operating entity

- 5.14 (1) For the purposes of this section, the term "operating entity" means, in relation to an issuer, a person or company through which the business of the issuer, or a material part of the business of the issuer, is conducted and for which the issuer is required under securities legislation, or has undertaken, to provide to its securityholders separate financial statements of the person or company if the issuer's financial statements do not include consolidated information concerning the person or company.
- (2) A prospectus of an issuer that is a trust must contain a certificate, in the applicable issuer certificate form, signed
 - (a) by the chief executive officer and the chief financial officer of the operating entity, and
 - (b) on behalf of the board of directors of the operating entity, by
 - (i) any two directors of the operating entity, other than the persons referred to in paragraph (a) above, or

- (ii) if the operating entity has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the operating entity.

Certificate of other persons

- 5.15 (1) Except in Ontario, the regulator may, in its discretion, require any person or company to sign a certificate to the prospectus, in the form that the regulator considers appropriate.
- (2) Despite subsection (1), in British Columbia, the powers of the regulator with respect to the matters described in subsection (1) are set out in the *Securities Act* (British Columbia).

PART 6 Amendments

Form of amendment

- 6.1 (1) An amendment to a prospectus must be either
- (a) an amendment that does not fully restate the text of the prospectus, or
 - (b) an amended and restated prospectus.
- (2) An amendment to a prospectus must be identified as follows:
- (a) for an amendment that does not restate the text of the prospectus:
“Amendment no. [insert amendment number] dated [insert date of amendment] to [identify prospectus] dated [insert date of prospectus being amended].”; or
 - (b) for an amended and restated prospectus:
“Amended and restated [identify prospectus] dated [insert date of amendment], amending and restating [identify prospectus] dated [insert date of prospectus being amended].”
- (3) Despite subsections (1) and (2), an amendment to a plan summary must be prepared in accordance with Part A of Form 41-101F3 without any further identification, and dated as of the date the plan summary is being amended.

Required documents for filing an amendment

6.2 An issuer that files an amendment to a prospectus must

- (a) file a signed copy of the amendment,
- (b) deliver to the regulator a copy of the prospectus blacklined to show the changes made by the amendment, if the amendment is also a restatement of the prospectus,
- (c) file or deliver any supporting documents required under this Instrument or other securities legislation to be filed or delivered with a prospectus, unless the documents originally filed or delivered with the prospectus are correct as of the date the amendment is filed, and
- (d) in case of an amendment to a final prospectus, file any consent letter required to be filed with a final prospectus, dated as of the date of the amendment.

Auditor's comfort letter

6.3 An issuer must deliver a new auditor's comfort letter, if an amendment to

- (a) a preliminary long form prospectus materially affects, or relates to, an auditor's comfort letter delivered under subparagraph 9.1(b)(iii),
- (b) a preliminary short form prospectus materially affects, or relates to, an auditor's comfort letter delivered under subparagraph 4.1(b)(ii) of NI 44-101.

Delivery of amendments

6.4 Except in Ontario, an issuer must deliver an amendment to a preliminary prospectus as soon as practicable to each recipient of the preliminary prospectus according to the record of recipients required to be maintained under securities legislation.

[Note: In Ontario, subsection 57(3) of the *Securities Act* (Ontario) imposes a similar requirement regarding the delivery of amendments to a preliminary prospectus.]

Amendment to a preliminary prospectus

- 6.5 (1) Except in Ontario, if, after a receipt for a preliminary prospectus is issued but before a receipt for the final prospectus is issued, a material adverse change occurs, an amendment to the preliminary prospectus must be filed as soon as practicable, but in any event within 10 days after the day the change occurs.

[**Note:** In Ontario, subsection 57(1) of the *Securities Act* (Ontario) imposes a similar requirement to file an amendment to a preliminary prospectus where there has been a material adverse change.]

- (2) The regulator must issue a receipt for an amendment to a preliminary prospectus as soon as practicable after the amendment is filed.

Amendment to a final prospectus

- 6.6 (1) Except in Ontario, if, after a receipt for a final prospectus is issued but before the completion of the distribution under the final prospectus, a material change occurs, an issuer must file an amendment to the final prospectus as soon as practicable, but in any event within 10 days after the day the change occurs.

[**Note:** In Ontario, subsection 57(1) of the *Securities Act* (Ontario) imposes a similar requirement to file an amendment to a final prospectus where there has been a material change.]

- (2) Except in Ontario, if, after a receipt for a final prospectus or an amendment to the final prospectus is issued but before the completion of the distribution under the final prospectus or the amendment to the final prospectus, securities in addition to the securities previously disclosed in the final prospectus or the amendment to the final prospectus are to be distributed, an amendment to the final prospectus disclosing the additional securities must be filed, as soon as practicable, but in any event within 10 days after the decision to increase the number of securities offered.

[**Note:** In Ontario, subsection 57(2) of the *Securities Act* (Ontario) imposes a similar requirement to file an amendment to a prospectus any time there is a proposed distribution of securities in addition to that disclosed under the prospectus.]

- (3) Except in Ontario, the regulator must issue a receipt for an amendment to a final prospectus filed under this section unless the regulator considers that there are grounds set out in securities legislation that would cause the regulator not to issue the receipt for a prospectus.

[Note: In Ontario, subsection 57(2.1) of the *Securities Act* (Ontario) imposes a similar obligation for the Director to issue a receipt for an amendment to a prospectus unless there are proper grounds for refusing the receipt.]

- (4) Except in Ontario, the regulator must not refuse to issue a receipt under subsection (3) without giving the issuer who filed the prospectus an opportunity to be heard.

[Note: In Ontario, subsections 57(2.1) and 61(3) of the *Securities Act* (Ontario) impose a similar restriction on the Director to refuse to issue a receipt for a prospectus without first giving an issuer an opportunity to be heard.]

- (5) Except in Ontario, an issuer must not proceed with a distribution or additional distribution if an amendment to a final prospectus is required to be filed until a receipt for the amendment to the final prospectus is issued by the regulator.

[Note: In Ontario, subsection 57(2.2) of the *Securities Act* (Ontario) imposes a similar restriction in respect of a distribution or additional distribution before a receipt is issued for an amendment to the final prospectus.]

- (6) Subsection (5) does not apply to an investment fund in continuous distribution.

[Note: In Ontario, section 2.2 of OSC Rule 41-801 *Implementing National Instrument 41-101 General Prospectus Requirements and Consequential Amendments* provides a similar exemption for an investment fund in continuous distribution from the requirement to obtain a receipt prior to making a distribution or additional distribution under an amendment to a final prospectus.]

PART 7 Non-fixed Price Offerings and Reduction of Offering Price under a Final Prospectus

Application

7.1 This Part does not apply to an investment fund in continuous distribution.

Non-fixed price offerings and reduction of offering price

- 7.2 (1) A person or company distributing a security under a prospectus must do so at a fixed price.
- (2) Despite subsection (1), securities may be distributed for cash at non-fixed prices under a prospectus if the securities have received a rating, on a provisional or final basis, from at least one designated rating organization or its DRO affiliate at the time of

- (a) the filing of the preliminary short form prospectus, if the issuer is filing a prospectus in the form of a short form prospectus under NI 44-101, or
 - (b) the filing of the long form prospectus.
- (3) Despite subsection (1), if securities are distributed for cash under a prospectus, the price of the securities may be decreased from the initial offering price disclosed in the prospectus and, after such a decrease, changed from time to time to an amount not greater than the initial offering price, without filing an amendment to the prospectus to reflect the change, if
 - (a) the securities are distributed through one or more underwriters that have agreed to purchase all of the securities at a specified price,
 - (b) the proceeds to be received by the issuer or selling securityholders are disclosed in the prospectus as being fixed, and
 - (c) the underwriters have made a reasonable effort to sell all of the securities distributed under the prospectus at the initial offering price disclosed in the final prospectus.
- (4) Despite subsections (2) and (3), the price at which securities may be acquired on exercise of rights must be fixed.

PART 8 Best Efforts Distributions

Application

8.1 This Part does not apply to an investment fund in continuous distribution.

Distribution period

- 8.2
- (1) Unless an amendment to the final prospectus is filed and the regulator has issued a receipt for the amendment, if securities are being distributed on a best efforts basis, the distribution must cease within 90 days after the date of the receipt for the final prospectus.
 - (2) Unless a further amendment to the final prospectus is filed and the regulator has issued a receipt for the further amendment, if an amendment to a final prospectus is filed and the regulator has issued a receipt for the amendment under subsection (1), the distribution must cease within 90 days after the date of the receipt for the amendment to the final prospectus.
 - (3) The total period of the distribution under subsections (1) and (2) must not end more than 180 days from the date of receipt for the final prospectus.

Minimum amount of funds

- 8.3** If securities are being distributed on a best efforts basis, other than an offering of securities to be distributed continuously, and the prospectus discloses that a minimum amount of funds must be raised,
- (a) the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in the final prospectus has been raised, and
 - (b) if the minimum amount of funds is not raised within the appropriate period of the distribution prescribed by section 8.2, the person or company holding the funds in trust referred to in paragraph (a) must return the funds to the subscribers without any deductions.

PART 8A: Rights Offerings

Application and definitions

- 8A.1** (1) This Part applies to an issuer that files a preliminary or final prospectus to distribute rights.
- (2) In this Part,
- “additional subscription privilege” means a privilege, granted to a holder of a right, to subscribe for a security not subscribed for by any holder under a basic subscription privilege;
- “basic subscription privilege” means a privilege to subscribe for the number or amount of securities set out in a rights certificate held by the holder of the rights certificate;
- “managing dealer” means a person or company that has entered into an agreement with an issuer under which the person or company has agreed to organize and participate in the solicitation of the exercise of the rights issued by the issuer;
- “market price” means, for securities of a class for which there is a published market,
- (a) except as provided in paragraph (b),

- (i) if the published market provides a closing price, the simple average of the closing price of securities of that class on the published market for each of the trading days on which there was a closing price falling not more than 20 trading days immediately before the day as of which the market price is being determined, or
 - (ii) if the published market does not provide a closing price, but provides only the highest and lowest prices of securities of the class traded, the average of the simple averages of the highest and lowest prices of securities of the class on the published market for each of the trading days on which there were highest and lowest prices falling not more than 20 trading days immediately before the day as of which the market price is being determined, or
- (b) if trading of securities of the class on the published market has occurred on fewer than 10 of the immediately preceding 20 trading days, the average of the following amounts established for each of the 20 trading days immediately before the day as of which the market price is being determined:
- (i) the average of the closing bid and closing ask prices for each day on which there was no trading;
 - (ii) if the published market
 - (A) provides a closing price of securities of the class for each day that there was trading, the closing price, or
 - (B) provides only the highest and lowest prices, the average of the highest and lowest prices of securities of that class for each day that there was trading;

“published market” means, for a class of securities, a marketplace on which the securities are traded, if the prices at which they have been traded on that marketplace are regularly

- (a) disseminated electronically, or
- (b) published in a newspaper or business or financial publication of general and regular paid circulation;

“soliciting dealer” means a person or company whose interest in a distribution of rights is limited to soliciting the exercise of the rights by holders of those rights;

“stand-by commitment” means an agreement by a person or company to acquire the securities of an issuer not subscribed for under the basic subscription privilege or the additional subscription privilege.

- (3) For the purpose of the definition of “market price”, if there is more than one published market for a security and
- (a) only one of the published markets is in Canada, the market price is determined solely by reference to that market,
 - (b) more than one of the published markets is in Canada, the market price is determined solely by reference to the published market in Canada on which the greatest volume of trading in the particular class of securities occurred during the 20 trading days immediately before the date as of which the market price is being determined, and
 - (c) none of the published markets are in Canada, the market price is determined solely by reference to the published market on which the greatest volume of trading in the particular class of securities occurred during the 20 trading days immediately before the date as of which the market price is being determined.

Filing of prospectus for a rights offering

- 8A.2 (1)** An issuer must not file a prospectus for a distribution of rights unless all of the following apply:
- (a) in addition to qualifying the distribution of the rights, the prospectus qualifies the distribution of the securities issuable upon the exercise of the rights;
 - (b) if there is a managing dealer, the managing dealer complies with section 5.9 as if the dealer were an underwriter;
 - (c) the exercise period for the rights is at least 21 days after the date on which the prospectus is sent to security holders;
 - (d) the subscription price for a security to be issued upon the exercise of a right is,
 - (i) if there is a published market for the security, lower than the market price of the security on the date of the final prospectus, or
 - (ii) if there is no published market for the security, lower than the fair value of the security on the date of the final prospectus unless the issuer restricts all of its insiders from increasing their

proportionate interest in the issuer through the exercise of the rights distributed under the prospectus or through a stand-by commitment.

- (2) If subparagraph (1)(d)(ii) applies, the issuer must deliver to the regulator or, in Québec, the securities regulatory authority independent evidence of fair value.

Additional subscription privilege

8A.3 An issuer must not grant an additional subscription privilege to a holder of a right unless all of the following apply:

- (a) the issuer grants the additional subscription privilege to all holders of a right;
- (b) each holder of a right is entitled to receive, upon the exercise of the additional subscription privilege, the number or amount of securities equal to the lesser of

- (i) the number or amount of securities subscribed for by the holder under the additional subscription privilege, and
- (ii) the number calculated in accordance with the following formula:

$x(y/z)$ where

x = the aggregate number or amount of securities available through unexercised rights after giving effect to the basic subscription privilege;

y = the number of rights exercised by the holder under the basic subscription privilege;

z = the aggregate number of rights exercised under the basic subscription privilege by holders of the rights that have subscribed for securities under the additional subscription privilege;

- (c) all unexercised rights have been allocated on a pro rata basis to holders who subscribed for additional securities under the additional subscription privilege;
- (d) the subscription price for the additional subscription privilege is the same as the subscription price for the basic subscription privilege.

Stand-by commitments

8A.4 If an issuer enters into a stand-by commitment for a distribution of rights, all of the following apply:

- (a) the issuer must grant an additional subscription privilege to all holders of a right;
- (b) the issuer must deliver to the regulator or, in Québec, the securities regulatory authority evidence that the person or company providing the stand-by commitment has the financial ability to carry out the stand-by commitment;
- (c) the subscription price under the stand-by commitment must be the same as the subscription price under the basic subscription privilege.

Appointment of depository

8A.5 If an issuer has stated in a prospectus that no security will be issued upon the exercise of a right unless a stand-by commitment is provided, or unless proceeds of no less than the stated minimum amount are received by the issuer, all of the following apply:

- (a) the issuer must appoint a depository to hold all money received upon the exercise of the rights until either the stand-by commitment is provided or the stated minimum amount is received and the depository is one of the following:
 - (i) a Canadian financial institution;
 - (ii) a registrant in the jurisdiction in which the funds are proposed to be held that is acting as managing dealer for the distribution of the rights, or, if there is no managing dealer for the distribution of the rights, that is acting as a soliciting dealer;
- (b) the issuer and the depository must enter into an agreement, the terms of which require the depository to return the money referred to in paragraph (a) in full to the holders of rights that have subscribed for securities under the distribution of the rights if the stand-by commitment is not provided or if the stated minimum amount is not received by the depository during the exercise period for the rights.

Amendment

8A.6 If an issuer has filed a final prospectus for a distribution of rights, the issuer must not change the terms of the distribution.

PART 9 Requirements for Filing a Long Form Prospectus

Required documents for filing a preliminary or pro forma long form prospectus

- 9.1 (1) An issuer that files a preliminary or pro forma long form prospectus must
- (a) file the following with the preliminary or pro forma long form prospectus
 - (i) **Signed Copy** – in the case of a preliminary long form prospectus, a signed copy of the preliminary long form prospectus;
 - (ii) **Documents Affecting the Rights of Securityholders** – a copy of the following documents, and any amendments to the following documents, that have not previously been filed:
 - (A) articles of incorporation, amalgamation, continuation or any other constating or establishing documents of the issuer, unless the constating or establishing document is a statutory or regulatory instrument,
 - (B) by-laws or other corresponding instruments currently in effect,
 - (C) any securityholder or voting trust agreement that the issuer has access to and that can reasonably be regarded as material to an investor in securities of the issuer,
 - (D) any securityholders' rights plans or other similar plans, and
 - (E) any other contract of the issuer or a subsidiary of the issuer that creates or can reasonably be regarded as materially affecting the rights or obligations of the issuer's securityholders generally;
 - (iii) **Material Contracts** – a copy of any material contract required to be filed under section 9.3;
 - (iv) **Investment Fund Documents** – if the issuer is an investment fund, the documents filed under subparagraphs (ii) and (iii) must include a copy of
 - (A) any declaration of trust or trust agreement of the investment fund, limited partnership agreement, or

- any other constating or establishing documents of the investment fund,
 - (B) any agreement of the investment fund or the trustee with the manager of the investment fund,
 - (C) any agreement of the investment fund, the manager or trustee with the portfolio advisers of the investment fund,
 - (D) any agreement of the investment fund, the manager or trustee with the custodian of the investment fund, and
 - (E) any agreement of the investment fund, the manager or trustee with the principal distributor of the investment fund;
- (iv.1) if the issuer is a scholarship plan, in addition to the documents filed under subparagraph (iv), a copy of the scholarship plan contract for the scholarship plan under the prospectus;.
- (v) **Mining Reports** – if the issuer has a mineral project, the technical reports required to be filed with a preliminary long form prospectus under NI 43-101;
- (vi) **Reports and Valuations** – a copy of each report or valuation referred to in the preliminary long form prospectus for which a consent is required to be filed under section 10.1 and that has not previously been filed, other than a technical report that
- (A) deals with a mineral project or oil and gas activities, and
 - (B) is not otherwise required to be filed under subparagraph (v);
- (vii) **Marketing Materials** – a copy of any template version of the marketing materials required to be filed under paragraph 13.7(1)(e); and,
- (b) deliver to the regulator, concurrently with the filing of the preliminary or pro forma long form prospectus, the following:

- (i) **Blacklined Copy** – in the case of a pro forma prospectus, a copy of the pro forma prospectus blacklined to show changes and the text of deletions from the latest prospectus previously filed;
 - (ii) **Personal Information Form and Authorization to Collect, Use and Disclose Personal Information** – a completed personal information form for,
 - (A) each director and executive officer of an issuer,
 - (B) if the issuer is an investment fund, each director and executive officer of the manager of the issuer,
 - (C) each promoter of the issuer, and
 - (D) if the promoter is not an individual, each director and executive officer of the promoter;
 - (E) (Repealed.)
 - (F) (Repealed.)
 - (G) (Repealed.)
 - (iii) **Auditor’s Comfort Letter regarding Audited Financial Statements** – if a financial statement of an issuer or a business included in, or incorporated by reference into, a preliminary or pro forma long form prospectus is accompanied by an unsigned auditor’s report, a signed letter addressed to the regulator from the auditor of the issuer or of the business, as applicable, prepared in accordance with the form suggested for this circumstance in the Handbook; and
 - (iv) **Marketing Materials** – a copy of any template version of the marketing materials required to be delivered under paragraph 13.7(4)(c) or 13.12(2)(c)..
- (2) Despite subparagraph (1)(b)(ii), an issuer is not required to deliver to the regulator a personal information form for an individual if the issuer, another issuer or, if the issuer is an investment fund, the manager of the investment fund issuer or another investment fund issuer, previously delivered a personal information form for the individual and all of the following are satisfied:

- (a) the certificate and consent included in or attached to the personal information form was executed by the individual within three years preceding the date of filing of the preliminary or pro-forma long form prospectus;
 - (b) the responses given by the individual to questions 6 through 10 of the individual's personal information form are correct as at a date that is within 30 days of the filing of the preliminary or pro-forma long form prospectus;
 - (c) if the personal information form was previously delivered to the regulator by another issuer, the issuer delivers to the regulator, concurrently with the filing of the preliminary or pro forma long form prospectus, a copy of the previously delivered personal information form or alternative information that is satisfactory to the regulator.
- (3) Until May 14, 2016, subparagraph (1)(b)(ii) does not apply to an issuer in respect of the delivery of a personal information form for an individual if the issuer or, if the issuer is an investment fund, the manager of the investment fund issuer, previously delivered to the regulator a predecessor personal information form for the individual and all of the following are satisfied:
- (a) the certificate and consent included in or attached to the predecessor personal information form was executed by the individual within three years preceding the date of filing of the preliminary or pro-forma long form prospectus;
 - (b) the responses given by the individual to questions 4(B) and (C) and questions 6 through 9 or, in the case of a TSX/TSXV personal information form in effect after September 8, 2011, questions 6 through 10, of the individual's predecessor personal information form are correct as at a date that is within 30 days of the filing of the preliminary or pro-forma long form prospectus.

Required documents for filing a final long form prospectus

9.2 An issuer that files a final long form prospectus must

- (a) file the following with the final long form prospectus:
 - (i) **Signed Copy** – a signed copy of the final long form prospectus;
 - (ii) **Documents Affecting the Rights of Securityholders** – a copy of any document described under subparagraph 9.1(a)(ii) that has not previously been filed;

- (iii) **Material Contracts** – a copy of each material contract required to be filed under section 9.3 that has not previously been filed under subparagraph 9.1(a)(iii);
- (iv) **Investment Fund Documents** – a copy of any document described under subparagraph 9.1(a)(iv) or (iv.1) that has not previously been filed;
- (v) **Other Reports and Valuations** – a copy of any report or valuation referred to in the final long form prospectus, for which a consent is required to be filed under section 10.1 and that has not previously been filed, other than a technical report that
 - (A) deals with a mineral project or oil and gas activities of the issuer, and
 - (B) is not otherwise required to be filed under subparagraph 9.1(a)(v) or 9.1(a)(vi);
- (vi) **Issuer’s Submission to Jurisdiction** – a submission to jurisdiction and appointment of agent for service of process of the issuer in the form set out in Appendix B, if an issuer is incorporated or organized in a foreign jurisdiction and does not have an office in Canada;
- (vii) **Non-Issuer’s Submission to Jurisdiction** – a submission to jurisdiction and appointment of agent for service of process of
 - (A) each selling securityholder,
 - (A.1) each director of the issuer, and
 - (B) any other person or company that provides or signs a certificate under Part 5 or other securities legislation, other than an issuer,
 in the form set out in Appendix C, if the person or company is incorporated or organized in a foreign jurisdiction and does not have an office in Canada or is an individual who resides outside of Canada;
- (viii) **Expert’s Consents** – the consents required to be filed under section 10.1;
- (ix) **Credit Supporter’s Consent** – the written consent of the credit supporter to the inclusion of its financial statements in the final long form prospectus, if financial statements of a credit supporter are required under Item 33 of Form 41-101F1 to be included in a final long form prospectus and a certificate of the credit supporter is not

required under section 5.12 to be included in the final long form prospectus;

- (x) **Undertaking in Respect of Credit Supporter Disclosure** – an undertaking of the issuer to file the periodic and timely disclosure of a credit supporter similar to the disclosure provided under section 12.1 of Form 44-101F1, so long as the securities being distributed are issued and outstanding;

- (xi) **Undertaking in Respect of Continuous Disclosure** – An undertaking of the issuer to provide to its securityholders separate financial statements for an operating entity that investors need to make an informed decision about investing in the issuer’s securities if
 - (A) the issuer is an income trust that is formed as a mutual fund trust as that term is used in the *Income Tax Act* (Canada), other than an “investment fund” as defined in section 1.1 of NI 81-106,
 - (B) the underlying business or income producing assets of the operating entity generate net cash flow available for distribution to the issuer’s securityholders, and
 - (C) the issuer’s performance and prospects depend primarily on the performance and operations of the operating entity;

- (xii) **Undertaking to File Agreements, Contracts and Material Contracts**– if an agreement, contract or declaration of trust under subparagraph (ii) or (iv) or a material contract under subparagraph (iii) has not been executed before the filing of the final long form prospectus but will be executed on or before the completion of the distribution, the issuer must file with the securities regulatory authority, no later than the time of filing of the final long form prospectus, an undertaking of the issuer to the securities regulatory authority to file the agreement, contract, declaration of trust or material contract promptly and in any event no later than seven days after execution of the agreement, contract, declaration of trust or material contract; and

- xii.1) **Undertaking to File Unexecuted Documents** – if a document referred to in subparagraph (ii) does not need to be executed in order to become effective and has not become effective before the filing of the final long form prospectus, but will become effective on or before the completion of the distribution, the issuer must file with the securities regulatory authority, no later than the time of filing of the final long form prospectus, an undertaking of the issuer to the securities regulatory authority to file the document

promptly and in any event no later than seven days after the document becomes effective;

- (xiii) **Undertaking in Respect of Restricted Securities** – for distributions of non-voting securities, an undertaking of the issuer to give notice to holders of non-voting securities of a meeting of securityholders if a notice of such a meeting is given to its registered holders of voting securities; and
 - (xiv) **Marketing Materials** – a copy of any template version of the marketing materials required to be filed under paragraph 13.7(1)(e), 13.7(7)(a), 13.8(1)(e) or 13.8(7)(b) that has not previously been filed; and,
- (b) deliver to the regulator, no later than the filing of the final long form prospectus
- (i) **Blackline Copy** – a copy of the final long form prospectus blacklined to show changes from the preliminary or pro forma long form prospectus;
 - (ii) **Communication with Exchange** – if the issuer has made an application to list the securities being distributed on an exchange in Canada, a copy of a communication in writing from the exchange stating that the application for listing has been made and has been accepted subject to the issuer meeting the requirements for listing of the exchange;
 - (iii) **Marketing Materials** – a copy of any template version of the marketing materials required to be delivered under paragraph 13.7(4)(c), 13.8(4)(c) or 13.12(2)(c) that has not previously been delivered;
 - (iv) **Evidence of financial ability** – the evidence of financial ability required to be delivered under section 8A.4 if it has not previously been delivered; and
 - (v) **Evidence of fair value** – the evidence of fair value required to be delivered under subsection 8A.2(2) if it has not previously been delivered.

Material contracts

- 9.3 (1) Unless previously filed, an issuer that files a long form prospectus must file a material contract entered into

- (a) since the beginning of the last financial year ending before the date of the prospectus, or
 - (b) before the beginning of the last financial year ending before the date of the prospectus if that material contract is still in effect.
- (2) Despite subsection (1), an issuer is not required to file a material contract entered into in the ordinary course of business unless the material contract is
 - (a) a contract to which directors, officers, promoters, selling securityholders or underwriters are parties, other than a contract of employment,
 - (b) a continuing contract to sell the majority of the issuer's products or services or to purchase the majority of the issuer's requirements of goods, services, or raw materials,
 - (c) a franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name,
 - (d) a financing or credit agreement with terms that have a direct correlation with anticipated cash distributions,
 - (e) an external management or external administration agreement, or
 - (f) a contract on which the issuer's business is substantially dependent.
- (3) A provision in a material contract filed pursuant to subsections (1) or (2) may be omitted or marked to be unreadable if an executive officer of the issuer reasonably believes that disclosure of that provision would be seriously prejudicial to the interests of the issuer or would violate confidentiality provisions.
- (4) Subsection (3) does not apply if the provision relates to
 - (a) debt covenants and ratios in financing or credit agreements,
 - (b) events of default or other terms relating to the termination of the material contract, or
 - (c) other terms necessary for understanding the impact of the material contract on the business of the issuer.
- (5) If a provision is omitted or marked to be unreadable under subsection (3), the issuer must include a description of the type of information that has been omitted or marked to be unreadable immediately after the provision in the copy of the material contract filed by the issuer.

- (6) Despite subsections (1) and (2), an issuer is not required to file a material contract entered into before January 1, 2002 if the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus.

PART 10 Consents and Licences, Registrations and Approvals

Consents of experts

- 10.1 (1)** Subject to subsection (1.1), an issuer must file the written consent of
- (a) any solicitor, auditor, accountant, engineer, or appraiser,
 - (b) any notary in Québec, and
 - (c) any person or company whose profession or business gives authority to a statement made by that person or company.
- (1.1)** Subsection (1) does not apply unless the person or company is named in a prospectus or an amendment to a prospectus directly or, if applicable, in a document incorporated by reference into the prospectus or amendment,
- (a) as having prepared or certified any part of the prospectus or the amendment,
 - (b) as having opined on financial statements from which selected information included in the prospectus has been derived and which audit opinion is referred to in the prospectus directly or in a document incorporated by reference, or
 - (c) as having prepared or certified a report, valuation, statement or opinion referred to in the prospectus or the amendment directly or in a document incorporated by reference.
- (2)** A consent referred to in subsection (1) must
- (a) be filed no later than the time the final prospectus or the amendment to the final prospectus is filed or, for the purposes of future financial statements that have been incorporated by reference in a prospectus under subsection 15.2(3), no later than the date that those financial statements are filed,
 - (b) state that the person or company being named consents

- (i) to being named, and
 - (ii) to the use of that person or company's report, valuation, statement or opinion,
- (c) refer to the report, valuation, statement or opinion stating the date of the report, valuation, statement or opinion, and
- (d) contain a statement that the person or company referred to in subsection (1)
 - (i) has read the prospectus, and
 - (ii) has no reason to believe that there are any misrepresentations in the information contained in it that are
 - (A) derived from the report, valuation, statement or opinion, or
 - (B) within the knowledge of the person or company as a result of the services performed by the person or company in connection with the report, financial statements, valuation, statement or opinion.
- (3) In addition to any other requirement of this section, the consent of an auditor or accountant must also state
 - (a) the dates of the financial statements on which the report of the person or company is made, and
 - (b) that the person or company has no reason to believe that there are any misrepresentations in the information contained in the prospectus that are
 - (i) derived from the financial statements on which the person or company has reported, or
 - (ii) within the knowledge of the person or company as a result of the audit of the financial statements.
- (4) Subsection (1) does not apply to a designated rating organization or its DRO affiliate that issues a rating to the securities being distributed under the prospectus.

Licences, registrations and approvals

- 10.2** If the proceeds of the distribution will be used to substantially fund a material undertaking that would constitute a material departure from the business or

operations of the issuer and the issuer has not obtained all material licences, registrations and approvals necessary for the stated principal use of proceeds,

- (a) the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until all material licences, registrations and approvals necessary for the stated principal use of proceeds have been obtained, and
- (b) if all material licences, registrations and approvals necessary for the operation of the stated principal use of proceeds have not been obtained within 90 days from the date of receipt of the final prospectus, the trustee must return the funds to subscribers.

PART 11 Over-Allocation and Underwriters

Over-allocation

11.1 Securities that are sold to create the over-allocation position in connection with a distribution under a prospectus must be distributed under the prospectus.

Distribution of securities under a prospectus to an underwriter

11.2 Except as required under section 11.3, no person or company may distribute securities under a prospectus to any person or company acting as an underwriter in connection with the distribution of securities under the prospectus, other than

- (a) an over-allotment option granted to one or more persons or companies for acting as an underwriter in connection with the distribution of any security issuable or transferable on the exercise of such an over-allotment option; or
- (b) securities issued or paid as compensation to one or more persons or companies for acting as an underwriter in respect of other securities that are distributed under the prospectus, where the number or principal amount of the securities issued as compensation, on an as-if-converted basis, does not in the aggregate exceed 10% of the total of the base offering on an as-if-converted basis plus any securities that would be acquired upon the exercise of an over-allotment option.

Take-up by underwriter

11.3 If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, the underwriter must take up the

securities, if at all, within 42 days after the date of the receipt for the final prospectus.

PART 12 Restricted Securities

Application

12.1 This Part does not apply to

- (a) securities of mutual funds,
- (b) securities that carry a right to vote subject to a restriction on the number or percentage of securities that may be voted or owned by persons or companies that are not citizens or residents of Canada or that are otherwise considered as a result of any law applicable to the issuer to be non-Canadians, but only to the extent of the restriction, and
- (c) securities that are subject to a restriction, imposed by any law governing the issuer, on the level of ownership of the securities by a person, company or combination of persons or companies, but only to the extent of the restriction.

Use of restricted security term

- 12.2** (1) An issuer must not refer to a security in a prospectus by a term or a defined term that includes the word "common" unless the security is an equity security to which are attached voting rights exercisable in all circumstances, irrespective of the number or percentage of securities owned, that are not less, per security, than the voting rights attached to any other outstanding security of the issuer.
- (2) An issuer must not refer in a prospectus to a term or defined term that includes the word "preference" or "preferred", unless the security is a security, other than an equity security, to which is attached a preference or right over any class of equity security of the issuer.
- (3) If restricted securities are referred to in the constating documents of the issuer by a term that is different from the appropriate restricted security term, the restricted securities may be described, in one place only in the prospectus, by the term used in the constating documents of the issuer; provided that, the description is not on the front page of the prospectus and is in the same type face and type size as that used generally in the body of the prospectus.
- (4) A class of securities that is or may become restricted securities must be referred to in a prospectus using a term or a defined term that includes the appropriate restricted security term.

Prospectus filing eligibility

- 12.3 (1) Subject to subsection (3), an issuer must not file a prospectus under which restricted securities, subject securities or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, restricted securities or subject securities, are distributed unless
- (a) the distribution has received prior majority approval of the securityholders of the issuer in accordance with applicable law, including approval on a class basis if required and excluding any votes attaching at the time to securities held, directly or indirectly, by affiliates of the issuer or control persons of the issuer, or
 - (b) at the time of any restricted security reorganization related to the securities to be distributed
 - (i) the restricted security reorganization received prior majority approval of the securityholders of the issuer in accordance with applicable law, including approval on a class basis if required and excluding any votes attaching at the time to securities held, directly or indirectly, by affiliates of the issuer or control persons of the issuer,
 - (ii) the issuer was a reporting issuer in at least one jurisdiction, and
 - (iii) no purposes or business reasons for the creation of restricted securities were disclosed that are inconsistent with the purpose of the distribution.
- (2) Subject to subsection (3), for each approval referred to in subsection (1), the issuer must have provided prior written disclosure in an information circular or notice to its securityholders that included
- (a) the name of each affiliate of the issuer that was a beneficial owner of securities of the issuer and the number of securities beneficially owned, directly or indirectly, by the affiliate as of the date of the information circular or notice to the extent known to the issuer after reasonable inquiry,
 - (b) the name of each control person and the number of securities beneficially owned, directly or indirectly, by the control person as of the date of the information circular or notice, to the extent known to the issuer after reasonable inquiry,
 - (c) a statement of the number of votes attaching to the securities that were excluded for the purpose of the approval to the extent known to the issuer after reasonable inquiry, and

- (d) the purpose and business reasons for the creation of restricted securities.
- (3) Subsections (1) and (2) do not apply if
- (a) the securities offered by the prospectus are of an existing class of restricted securities that were created before December 21, 1984,
 - (b) the issuer was a private issuer immediately before filing the prospectus,
 - (c) the securities offered by the prospectus are of the same class as securities distributed under a previous prospectus that was filed by an issuer that was, at the time of filing the previous prospectus, a private issuer,
 - (d) the securities offered by the prospectus are previously unissued restricted securities distributed by way of stock dividend in the ordinary course to securityholders instead of a cash dividend if at the time of distribution there is a published market for the restricted securities,
 - (e) the securities offered by the prospectus are distributed as a stock split that takes the form of a distribution of previously unissued restricted securities by way of stock dividend to holders of the same class of restricted securities if at the time of distribution there is a published market for the restricted securities and the distribution is part of a concurrent distribution by way of stock dividend to holders of all equity securities under which all outstanding equity securities of the issuer are increased in the same proportion, or
 - (f) as of a date not more than seven days before the date of the prospectus, the issuer expects that in each local jurisdiction in which the prospectus will be filed the number of securities of each class of equity securities held by registered holders whose last address as shown on the books of the issuer is in the local jurisdiction, or beneficially owned by persons or companies in the local jurisdiction, will be less than two percent of the outstanding number of securities of the class after giving effect to the proposed distribution.

PART 13 Advertising and Marketing in Connection with Prospectus Offerings of Issuers other than Investment Funds

Application

13 (1) This Part applies to issuers other than investment funds filing a prospectus in the form of Form 41-101F2 or Form 41-101F3.

(2) In this Part,

“comparables” means information that compares an issuer to other issuers;

“convertible security” has the same meaning as in section 1.1 of National Instrument 45-102 *Resale of Securities*;

“exchangeable security” has the same meaning as in section 1.1 of National Instrument 45-102 *Resale of Securities*;

“underlying security” has the same meaning as in section 1.1 of National Instrument 45-102 *Resale of Securities*;

“U.S. cross-border initial public offering” means an initial public offering of securities of an issuer being made contemporaneously in the United States of America and Canada by way of a prospectus filed with a securities regulatory authority in a jurisdiction of Canada and a U.S. prospectus filed with the SEC;

“U.S. cross-border offering” means an offering of securities of an issuer being made contemporaneously in the United States of America and Canada by way of a prospectus filed with a securities regulatory authority in a jurisdiction of Canada and a U.S. prospectus filed with the SEC, and includes a U.S. cross-border initial public offering;

“U.S. prospectus” means a prospectus that has been prepared in accordance with the disclosure and other requirements of U.S. federal securities law for an offering of securities registered under the 1933 Act.

(3) In this Part, for greater certainty, a reference to “provides” includes showing a document to a person without allowing the person to retain or make a copy of the document.

Legend for communications during the waiting period

13.1 (1) A preliminary prospectus notice or other communication used in connection with a prospectus offering during the waiting period must contain the following legend or words to the same effect:

"A preliminary prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in certain jurisdictions of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus may be obtained from [insert name and contact information for dealer or other relevant person or entity.] There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued."

- (2) If the preliminary prospectus notice or other communication is in writing, include the wording required under subsection (1) in bold type that is at least as large as that used generally in the body of the text.
- (3) Subsection (1) does not apply to standard term sheets and marketing materials.

Legend for communications following receipt for the final prospectus

- 13.2 (1)** A final prospectus notice or other communication used in connection with with a prospectus offering following the issuance of a receipt for the final prospectus must contain the following legend or words to the same effect:

"This offering is only made by prospectus. The prospectus contains important detailed information about the securities being offered. Copies of the prospectus may be obtained from [insert name and contact information for dealer or other relevant person or entity.] Investors should read the prospectus before making an investment decision."

- (2) If the final prospectus notice or other communication is in writing, include the wording required under subsection (1) in bold type that is at least as large as that used generally in the body of the text.
- (3) Subsection (1) does not apply to standard term sheets and marketing materials.

13.3 [Repealed]

Testing of the waters exemption – IPO issuers

- 13.4 (1)** In this section, "public issuer" means an issuer that
- (a) is a reporting issuer in a jurisdiction of Canada;
 - (b) is an SEC issuer;

- (c) has a class of securities that has been assigned a ticker symbol by the Financial Industry Regulatory Authority in the United States of America for use on any of the over-the-counter markets in the United States of America;
 - (d) has a class of securities that have been traded on an over-the-counter market with respect to which trade data is publicly reported; or
 - (e) has any of its securities listed, quoted or traded on a marketplace outside of Canada or any other facility outside of Canada for bringing together buyers and sellers of securities and with respect to which trade data is publicly reported.
- (2) Subject to subsections (3) to (7), the prospectus requirement does not apply to a solicitation of an expression of interest in order to ascertain if there would be sufficient interest in an initial public offering of securities by an issuer pursuant to a long form prospectus if
- (a) the issuer has a reasonable expectation of filing a preliminary long form prospectus in respect of an initial public offering in at least one jurisdiction of Canada;
 - (b) the issuer is not a public issuer before the date of the preliminary long form prospectus;
 - (c) an investment dealer makes the solicitation on behalf of the issuer;
 - (d) the issuer provided written authorization to the investment dealer to act on its behalf before the investment dealer made the solicitation;
 - (e) the solicitation is made to an accredited investor; and
 - (f) subject to subsection (3), the issuer and the investment dealer keep all information about the proposed offering confidential until the earlier of
 - (i) the information being generally disclosed in a preliminary long form prospectus or otherwise, or
 - (ii) the issuer confirming in writing that it will not be pursuing the potential offering.
- (3) An investment dealer must not solicit an expression of interest from an accredited investor pursuant to subsection (2) unless
- (a) all written material provided to the accredited investor

- (i) is approved in writing by the issuer before it is provided,
 - (ii) is marked confidential, and
 - (iii) contains a legend stating that the material does not provide full disclosure of all material facts relating to the issuer, the securities or the offering and is not subject to liability for misrepresentations under applicable securities legislation; and
 - (b) before providing the investor with any information about the issuer, the securities or the offering, the investment dealer obtains confirmation in writing from the investor that the investor will keep information about the proposed offering confidential, and will not use the information for any purpose other than assessing the investor's interest in the offering, until the earlier of
 - (i) the information being generally disclosed in a preliminary long form prospectus or otherwise, or
 - (ii) the issuer confirming in writing that it will not be pursuing the potential offering.
- (4) If any investment dealer solicits an expression of interest pursuant to subsection (2), the issuer must not file a preliminary long form prospectus in respect of an initial public offering until the date which is at least 15 days after the date on which any investment dealer last solicited an expression of interest from an accredited investor pursuant to that subsection.
- (5) An issuer relying on the exemption in subsection (2) must keep
- (a) a written record of any investment dealer that it authorized to act on its behalf in making solicitations in reliance on the exemption; and
 - (b) a copy of any written authorizations referred to in paragraph (2)(d).
- (6) If an investment dealer solicits an expression of interest pursuant to subsection (2), the investment dealer must keep
- (a) a written record of any accredited investor that it solicited in reliance on the exemption;
 - (b) a copy of any written material and written approval referred to in subparagraph (3)(a)(i); and
 - (c) any written confirmations referred to in paragraph (3)(b).

- (7) Subsection (2) does not apply if
 - (a) any of the issuer's securities are held by a control person that is a public issuer; and
 - (b) the initial public offering of the issuer would be a material fact or material change with respect to the control person.

Standard term sheets during the waiting period

13.5 (1) An investment dealer that provides a standard term sheet to a potential investor during the waiting period is exempt from the prospectus requirement with respect to providing the standard term sheet if

- (a) the standard term sheet complies with subsections (2) and (3);
- (b) other than contact information for the investment dealer or underwriters, all information in the standard term sheet concerning the issuer, the securities or the offering is disclosed in, or derived from, the preliminary prospectus or any amendment; and
- (c) a receipt for the preliminary prospectus has been issued in the local jurisdiction.

(2) A standard term sheet provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A preliminary prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada].

The preliminary prospectus is still subject to completion. Copies of the preliminary prospectus may be obtained from [*insert contact information for the investment dealer or underwriters*]. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

(3) A standard term sheet provided under subsection (1) may contain only the information referred to in subsection (2) and the following information

in respect of the issuer, the securities or the offering:

- (a) the name of the issuer;
- (b) the jurisdiction or foreign jurisdiction in which the issuer's head office is located;
- (c) the statute under which the issuer is incorporated, continued or organized or, if the issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which it is established and exists;
- (d) a brief description of the business of the issuer;
- (e) a brief description of the securities;
- (f) the price or price range of the securities;
- (g) the total number or dollar amount of the securities, or range of the total number or dollar amount of the securities;
- (h) the terms of any over-allotment option;
- (i) the names of the underwriters;
- (j) whether the offering is on a firm commitment or best efforts basis;
- (k) the amount of the underwriting commission, fee or discount;
- (l) the proposed or expected closing date of the offering;
- (m) a brief description of the use of proceeds;
- (n) the exchange on which the securities are proposed to be listed, provided that the standard term sheet complies with the requirements of securities legislation for listing representations;
- (o) in the case of debt securities, the maturity date of the debt securities and a brief description of any interest payable on the debt securities;
- (p) in the case of preferred shares, a brief description of any dividends payable on the securities;
- (q) in the case of convertible securities, a brief description of the underlying securities into which the convertible securities are convertible;

- (r) in the case of exchangeable securities, a brief description of the underlying securities into which the exchangeable securities are exchangeable;
 - (s) in the case of restricted securities, a brief description of the restriction;
 - (t) in the case of securities for which a credit supporter has provided a guarantee or alternative credit support, a brief description of the credit supporter and the guarantee or alternative credit support provided;
 - (u) whether the securities are redeemable or retractable;
 - (v) a statement that the securities are eligible, or are expected to be eligible, for investment in registered retirement savings plans, tax-free savings accounts or other registered plans, if the issuer has received, or reasonably expects to receive, a legal opinion that the securities are so eligible;
 - (w) contact information for the investment dealer or underwriters.
- (4) For the purposes of subsection (3), “brief description” means a description consisting of no more than three lines of text in type that is at least as large as that used generally in the body of the standard term sheet.

Standard term sheets after a receipt for a final prospectus

- 13.6 (1)** An investment dealer must not provide a standard term sheet to a potential investor after a receipt for a final prospectus or any amendment is issued unless
- (a) the standard term sheet complies with subsections (2) and (3);
 - (b) other than contact information for the investment dealer or underwriters, all information in the standard term sheet concerning the issuer, the securities or the offering is disclosed in, or derived from, the final prospectus or any amendment; and
 - (c) a receipt for the final prospectus has been issued in the local jurisdiction.
- (2)** A standard term sheet provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:
- A final prospectus containing important information relating to the securities described in this document has been filed with the securities

regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada].

Copies of the final prospectus may be obtained from *[insert contact information for the investment dealer or underwriters]*.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final prospectus, and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- (3) A standard term sheet provided under subsection (1) may contain only the information referred to in subsection (2) and the information referred to in subsection 13.5(3).

Marketing materials during the waiting period

- 13.7 (1) An investment dealer that provides marketing materials to a potential investor during the waiting period is exempt from the prospectus requirement with respect to providing the marketing materials if
- (a) the marketing materials comply with subsections (2) to (8);
 - (b) other than contact information for the investment dealer or underwriters and any comparables, all information in the marketing materials concerning the issuer, the securities or the offering is disclosed in, or derived from, the preliminary prospectus or any amendment;
 - (c) other than prescribed language, the marketing materials contain the same cautionary language in bold type as contained on the cover page, and in the summary, of the preliminary prospectus;
 - (d) a template version of the marketing materials is approved in writing by the issuer and the lead underwriter before the marketing materials are provided;
 - (e) a template version of the marketing materials is filed on or before the day that the marketing materials are first provided;
 - (f) a receipt for the preliminary prospectus has been issued in the local jurisdiction; and
 - (g) the investment dealer provides a copy of the preliminary prospectus and any amendment with the marketing materials.
- (2) If a template version of the marketing materials is approved in writing by the issuer and lead underwriter under paragraph (1)(d) and filed under

paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that

- (a) has a date that is different than the template version;
 - (b) contains a cover page referring to the investment dealer or underwriters or a particular investor or group of investors;
 - (c) contains contact information for the investment dealer or underwriters; or
 - (d) has text in a format, including the type's font, colour or size, that is different than the template version.
- (3)** If a template version of the marketing materials is divided into separate sections for separate subjects and is approved in writing by the issuer and lead underwriter under paragraph (1)(d), and that template version is filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that includes only one or more of those separate sections.
- (4)** The issuer may remove any comparables, and any disclosure relating to those comparables, from the template version of the marketing materials before filing it under paragraph (1)(e) or (7)(a) if
- (a) the comparables, and any disclosure relating to the comparables, are in a separate section of the template version of the marketing materials;
 - (b) the template version of the marketing materials that is filed contains a note advising that the comparables, and any disclosure relating to the comparables, were removed in accordance with this subsection, provided that the note appears immediately after where the removed comparables and related disclosure would have been;
 - (c) if the prospectus is filed in the local jurisdiction, a complete template version of the marketing materials containing the comparables, and any disclosure relating to the comparables, is delivered to the securities regulatory authority; and
 - (d) the complete template version of the marketing materials contains disclosure proximate to the comparables which
 - (i) explains what comparables are;
 - (ii) explains the basis on which the other issuers were included in the comparables and why the other issuers are considered

to be an appropriate basis for comparison with the issuer;

- (iii) explains the basis on which the compared attributes were included;
 - (iv) states that the information about the other issuers was obtained from public sources and has not been verified by the issuer or the underwriters;
 - (v) discloses any risks relating to the comparables, including risks in making an investment decision based on the comparables; and
 - (vi) states that if the comparables contain a misrepresentation, the investor does not have a remedy under securities legislation.
- (5) Marketing materials provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A preliminary prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada]. A copy of the preliminary prospectus, and any amendment, is required to be delivered with this document.

The preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- (6) If marketing materials are provided during the waiting period under subsection (1), the issuer must include the template version of the marketing materials filed under paragraph 1(e) in its final prospectus, or incorporate by reference the template version of the marketing materials filed under paragraph 1(e) into its final prospectus, in the manner described in subsection 36A.1(1) of Form 41-101F1 or subsection 11.6(1) of Form 44-101F1, as applicable.
- (7) If the final prospectus or any amendment modifies a statement of a material fact that appeared in marketing materials provided during the waiting period under subsection (1), the issuer must

- (a) prepare and file, at the time the issuer files the final prospectus or any amendment, a revised template version of the marketing materials that is blacklined to show the modified statement, and
 - (b) include in the final prospectus, or any amendment, the disclosure required by subsection 36A.1(3) of Form 41-101F1 or subsection 11.6(3) of Form 44-101F1, as applicable.
- (8) A revised template version of the marketing materials filed under subsection (7) must comply with section 13.8.
- (9) If marketing materials are provided during the waiting period under subsection (1) but the issuer does not comply with subsection (6), the marketing materials are deemed for purposes of securities legislation to be incorporated into the issuer's final prospectus as of the date of the final prospectus to the extent not otherwise expressly modified or superseded by a statement contained in the final prospectus.

Marketing materials after a receipt for a final prospectus

- 13.8 (1)** An investment dealer must not provide marketing materials to a potential investor after a receipt for a final prospectus or any amendment is issued unless
- (a) the marketing materials comply with subsections (2) to (8);
 - (b) other than contact information for the investment dealer or underwriters and any comparables, all information in the marketing materials concerning the issuer, the securities or the offering is disclosed in, or derived from, the final prospectus and any amendment;
 - (c) other than prescribed language, the marketing materials contain the same cautionary language in bold type as contained on the cover page, and in the summary, of the final prospectus;
 - (d) a template version of the marketing materials is approved in writing by the issuer and the lead underwriter before the marketing materials are provided;
 - (e) a template version of the marketing materials is filed on or before the day that the marketing materials are first provided;
 - (f) a receipt for the final prospectus has been issued in the local jurisdiction; and

- (g) the investment dealer provides a copy of the final prospectus, and any amendment, with the marketing materials.
- (2) If a template version of the marketing materials is approved in writing by the issuer and lead underwriter under paragraph (1)(d) and filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that
- (a) has a date that is different than the template version;
 - (b) contains a cover page referring to the investment dealer or underwriters or a particular investor or group of investors;
 - (c) contains contact information for the investment dealer or underwriters; or
 - (d) has text in a format, including the type's font, colour or size, that is different than the template version.
- (3) If a template version of the marketing materials is divided into separate sections for separate subjects and is approved in writing by the issuer and lead underwriter under paragraph (1)(d), and that template version is filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that includes only one or more of those separate sections.
- (4) The issuer may remove any comparables, and any disclosure relating to those comparables, from the template version of the marketing materials before filing it under paragraph (1)(e) or (7)(b) if
- (a) the comparables, and any disclosure relating to the comparables, are in a separate section of the template version of the marketing materials;
 - (b) the template version of the marketing materials that is filed contains a note advising that the comparables, and any disclosure relating to the comparables, were removed in accordance with this subsection, provided that the note appears immediately after where the removed comparables and related disclosure would have been;
 - (c) if the prospectus is filed in the local jurisdiction, a complete template version of the marketing materials containing the comparables, and any disclosure relating to the comparables, is delivered to the securities regulatory authority; and
 - (d) the complete template version of the marketing materials contains the disclosure referred to in paragraph 13.7(4)(d).

- (5) Marketing materials provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A final prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada]. A copy of the final prospectus, and any amendment, is required to be delivered with this document.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final prospectus, and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- (6) An investment dealer must not provide marketing materials under subsection (1) unless the issuer
- (a) has included the template version of the marketing materials filed under paragraph 1(e) in its final prospectus, and any amendment, or incorporated by reference the template version of the marketing materials filed under paragraph 1(e) into its final prospectus, and any amendment, in the manner described in subsection 36A.1(1) of Form 41-101F1 or subsection 11.6(1) of Form 44-101F1, as applicable, or
 - (b) has included in its final prospectus, and any amendment, the statement described in subsection 36A.1(4) of Form 41-101F1 or subsection 11.6(4) of Form 44-101F1, as applicable.
- (7) If an amendment to a final prospectus modifies a statement of material fact that appeared in marketing materials provided under subsection (1), the issuer must
- (a) indicate in the amendment to the final prospectus that the marketing materials are not part of the final prospectus, as amended, to the extent that the contents of the marketing materials have been modified or superseded by a statement contained in the amendment;
 - (b) prepare and file, at the time the issuer files the amendment to the final prospectus, a revised template version of the marketing materials that is blacklined to show the modified statement; and
 - (c) include in the amendment to the final prospectus the disclosure required by subsection 36A.1(3) of Form 41-101F1 or subsection 11.6(3) of Form 44-101F1, as applicable.

- (8) Any revised template version of the marketing materials filed under subsection (7) must comply with this section.
- (9) If marketing materials are provided under subsection (1) but the issuer did not comply with subsection (6), the marketing materials are deemed for purposes of securities legislation to be incorporated into the issuer's final prospectus as of the date of the final prospectus to the extent not otherwise expressly modified or superseded by a statement contained in the final prospectus.

Road shows during the waiting period

- 13.9** (1) An investment dealer that conducts a road show for potential investors during the waiting period is exempt from the prospectus requirement with respect to that road show if
- (a) the road show complies with subsections (2) to (4); and
 - (b) a receipt for the preliminary prospectus has been issued in the local jurisdiction.
- (2) Subject to section 13.12, an investment dealer must not provide marketing materials to an investor attending a road show conducted under subsection (1) unless the marketing materials are provided in accordance with section 13.7.
- (3) If an investment dealer conducts a road show, the investment dealer must establish and follow reasonable procedures to
- (a) ask any investor attending the road show in person, by telephone conference call, on the internet or by other electronic means to provide their name and contact information;
 - (b) keep a record of any information provided by the investor; and
 - (c) provide the investor with a copy of the preliminary prospectus and any amendment.
- (4) If an investment dealer permits an investor, other than an accredited investor, to attend a road show, the investment dealer must commence the road show with the oral reading of the following statement or a statement to the same effect:

This presentation does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before

making an investment decision.

Road shows after a receipt for a final prospectus

- 13.10 (1)** An investment dealer must not conduct a road show for potential investors after a receipt for a final prospectus or any amendment is issued unless
- (a) the road show complies with subsections (2) to (4); and
 - (b) a receipt for the final prospectus has been issued in the local jurisdiction.
- (2)** Subject to section 13.12, an investment dealer must not provide marketing materials to an investor attending a road show conducted under subsection (1) unless the marketing materials are provided in accordance with section 13.8.
- (3)** If an investment dealer conducts a road show, the investment dealer must establish and follow reasonable procedures to
- (a) ask any investor attending the road show in person, by telephone conference call, on the internet or by other electronic means to provide their name and contact information;
 - (b) keep a record of any information provided by the investor; and
 - (c) provide the investor with a copy of the final prospectus and any amendment.
- (4)** If an investment dealer permits an investor, other than an accredited investor, to attend a road show, the investment dealer must commence the road show with the oral reading of the following statement or a statement to the same effect:

This presentation does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Exception from procedures for road shows for certain U.S. cross-border initial public offerings

- 13.11 (1)** Subject to subsection (2), the following provisions do not apply to an investment dealer that conducts a road show in connection with a U.S. cross-border initial public offering:
- (a) paragraphs 13.9(3)(a) and (b);

- (b) paragraphs 13.10(3)(a) and (b).
- (2) Subsection (1) does not apply unless
- (a) the issuer is relying on the exemption from United States filing requirements in Rule 433(d)(8)(ii) under the 1933 Act in respect of the road show; and
 - (b) the investment dealer establishes and follows reasonable procedures to
 - (i) ask any investor attending the road show in person, by telephone conference call, on the internet or by other electronic means to voluntarily provide their name and contact information; and
 - (ii) keep a record of any information voluntarily provided by the investor.

Exception from filing and incorporation requirements for road shows for certain U.S. cross-border offerings

- 13.12 (1)** Subject to subsections (2) to (4), if an investment dealer provides marketing materials to a potential investor in connection with a road show for a U.S. cross-border offering, the following provisions do not apply to the template version of the marketing materials relating to the road show:
- (a) paragraphs 13.7(1)(e) and 13.8(1)(e);
 - (b) subsections 13.7(6) to (9);
 - (c) subsections 13.8(6) to (9);
 - (d) paragraphs 36A.1(1)(b) and (c), paragraph 36A.1(3)(b), subsection 36A.1(4) and section 37.6 of Form 41-101F1;
 - (e) paragraphs 11.6(1)(b) and (c), paragraph 11.6(3)(b) and subsection 11.6(4) of Form 44-101F1.
- (2) Subsection (1) does not apply unless
- (a) the underwriters have a reasonable expectation that the securities offered under the U.S. cross-border offering will be sold primarily in the United States of America;
 - (b) the issuer and the underwriters who sign the prospectus filed in the local jurisdiction provide a contractual right containing the

language set out in subsection 36A.1(5) of Form 41-101F1, or words to the same effect, except that the language may specify that the contractual right does not apply to any comparables provided in accordance with subsection (3); and

- (c) if the prospectus is filed in the local jurisdiction, the template version of the marketing materials relating to the road show is delivered to the securities regulatory authority.
- (3) If the template version of the marketing materials relating to the road show contains comparables, the template version of the marketing materials must contain the disclosure referred to in paragraph 13.7(4)(d).
- (4) For greater certainty, subsection (1) does not apply to marketing materials other than the marketing materials provided in connection with the road show.

PART 13A Advertising and Marketing in Connection with

Prospectus Offerings of Investment Funds

Application

13A.1 This Part applies to investment funds filing a prospectus in the form of Form 41-101F2 or Form 41-101F3.

Legend for communications during the waiting period

13A.2 (1) A preliminary prospectus notice or other communication used in connection with a prospectus offering during the waiting period must contain the following legend, or words to the same effect:

A preliminary prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in certain jurisdictions of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus may be obtained from *[insert name and contact information for dealer or other relevant person or company]*. There will not be any sale or acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

(2) If the preliminary prospectus notice or other communication is in writing, include the wording required under subsection (1) in bold type that is at least as large as that used generally in the body of the text.

Legend for communications following receipt for the final prospectus

13A.3 (1) A final prospectus notice or other communication used in connection with a prospectus offering following the issuance of a receipt for the final prospectus must contain the following legend, or words to the same effect:

This offering is made only by prospectus. The prospectus contains important detailed information about the securities being offered. Copies of the prospectus may be obtained from *[insert name and contact information for dealer or other relevant person or company]*. Investors should read the prospectus before making an investment decision.

(2) If the final prospectus notice or other communication is in writing, include the wording required under subsection (1) in bold type that is at least as large as that used generally in the body of the text.

Advertising during the waiting period

13A.4 If the issuer is an investment fund, an advertisement used in connection with a prospectus offering during the waiting period may state only the following information:

- (a) whether the security represents a share in an incorporated entity or an interest in an unincorporated entity;
- (b) the name of the issuer;
- (c) the price of the security;
- (d) the fundamental investment objectives of the investment fund;
- (e) the name of the manager of the investment fund;
- (f) the name of the portfolio manager of the investment fund;
- (g) the name and address of a person or company from whom a preliminary prospectus may be obtained and purchases of securities may be made;
- (h) how many securities will be made available;

- (i) whether the security is or will be a qualified investment for a registered retirement savings plan, registered retirement income fund, registered education savings plan or tax free savings account or qualifies, or will qualify, the holder for special tax treatment.

Part 14 Custodianship of Portfolio Assets of an Investment Fund

General

- 14.1 (1)** This Part applies to an investment fund that prepares a prospectus in accordance with this Instrument, other than an investment fund subject to NI 81-102.
- (2)** Subject to sections 14.8 and 14.9, all portfolio assets of an investment fund must be held under the custodianship of one custodian that satisfies the requirements of section 14.2.
- (3)** No manager of an investment fund may act as a custodian or sub-custodian of the investment fund.

Who may act as custodian or sub-custodian

- 14.2 (1)** If portfolio assets are held in Canada by a custodian or sub-custodian, the custodian or sub-custodian must be one of the following:
- (a) a bank listed in Schedule I, II or III of the *Bank Act* (Canada);
 - (b) a trust company that
 - (i) is incorporated and licenced or registered under the laws of Canada or a jurisdiction, and
 - (ii) has equity, as reported in its most recent audited financial statement, of not less than \$10,000,000;
 - (c) a company that is incorporated under the laws of Canada or a jurisdiction and is an affiliate of a bank or trust company referred to in paragraph (a) or (b), if
 - (i) the company has equity, as reported in its most recent audited financial statements that have been made public, of not less than \$10,000,000, or
 - (ii) the bank or trust company has assumed responsibility for all of the custodial obligations of the company for that investment fund.

- (2) If portfolio assets are held outside of Canada by a sub-custodian, the sub-custodian must be one of the following:
- (a) an entity referred to in subsection (1);
 - (b) an entity that
 - (i) is incorporated or organized under the law of a country, or a political subdivision of a country, other than Canada,
 - (ii) is regulated as a banking institution or trust company by the government, or an agency of the government of the country or political subdivision of the country under whose laws it is incorporated or organized, and
 - (iii) has equity, as reported in its most recent audited financial statements of not less than the equivalent of \$100,000,000;
 - (c) an affiliate of an entity referred to in paragraph (a) or (b) if
 - (i) the affiliate has equity, as reported in its most recent audited financial statements that have been made public, of not less than the equivalent of \$100,000,000, or
 - (ii) the entity referred to in paragraphs (a) or (b) has assumed responsibility for all of the custodial obligations of the affiliate for that investment fund.

Standard of care

- 14.3 (1)** The custodian and each sub-custodian of an investment fund, in carrying out their duties concerning the safekeeping of, and dealing with, the portfolio assets of the investment fund, must exercise
- (a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances, or
 - (b) at least the same degree of care as they exercise with respect to their own property of a similar kind, if this is a higher degree of care than the degree of care referred to in paragraph (a).
- (2) No investment fund may relieve the custodian or a sub-custodian of the investment fund from liability to the investment fund or to a securityholder of the investment fund for loss that arises out of the failure of the custodian or sub-custodian to exercise the standard of care imposed by subsection (1).

- (3) An investment fund may indemnify a custodian or sub-custodian against legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by that entity in connection with custodial or sub-custodial services provided by that entity to the investment fund, if those fees, judgments and amounts were not incurred as a result of a breach of the standard of care described in subsection (1).
- (4) No investment fund may incur the cost of any portion of liability insurance that insures a custodian or sub-custodian for a liability, except to the extent that the custodian or sub-custodian may be indemnified for that liability under this section.

Appointment of sub-custodian

- 14.4 (1) The custodian or a sub-custodian of an investment fund may appoint one or more sub-custodians to hold portfolio assets of the investment fund if,
- (a) in the case where the appointment is by the custodian, the investment fund gives written consent to each appointment,
 - (b) in the case where the appointment is by a sub-custodian, the investment fund and the custodian of the investment fund give written consent to each appointment,
 - (c) the sub-custodian is an entity described in subsection 14.2(1) or (2), as applicable,
 - (d) the arrangements under which a sub-custodian is appointed are such that the investment fund may enforce rights directly, or require the custodian or a sub-custodian to enforce rights on behalf of the investment fund, to the portfolio assets held by the appointed sub-custodian, and
 - (e) the appointment is otherwise in compliance with this Instrument.
- (2) Despite paragraphs (1)(a) and (b), a general consent to the appointment of persons or companies that are part of an international network of sub-custodians within the organization of the custodian appointed by the investment fund or the sub-custodian appointed by the custodian is sufficient if that general consent is part of an agreement governing the relationship between the investment fund and the appointed custodian or the custodian and the appointed sub-custodian.
- (3) A custodian or sub-custodian must provide to the investment fund a list of each person or company that is appointed sub-custodian under a general consent referred to in subsection (2).

Content of agreements

- 14.5 (1)** All custodian agreements and sub-custodian agreements of an investment fund must provide for
- (a) the location of portfolio assets,
 - (b) the appointment of a sub-custodian, if any,
 - (c) the provision of lists of sub-custodians,
 - (d) the method of holding portfolio assets,
 - (e) the standard of care and responsibility for loss,
 - (f) review and compliance reports, and
 - (g) the safekeeping of portfolio assets on terms consistent with the agreement between the investment fund and the custodian for an agreement between a custodian and a sub-custodian.
- (2)** The provisions of an agreement referred to under subsection (1) must comply with the requirements of this Part.
- (3)** A custodian agreement or sub-custodian agreement concerning the portfolio assets of an investment fund must not
- (a) provide for the creation of any security interest on the portfolio assets except for a good faith claim for payment of the fees and expenses of the custodian or sub-custodian for acting in that capacity or to secure the obligations of the investment fund to repay borrowings by the investment fund from a custodian or sub-custodian for the purpose of settling portfolio transactions, or
 - (b) contain a provision that would require the payment of a fee to the custodian or sub-custodian for the transfer of the beneficial ownership of portfolio assets, other than for safekeeping and administrative services in connection with acting as custodian or sub-custodian.

Review and compliance reports

- 14.6 (1)** The custodian of an investment fund must, on a periodic basis and at least annually,
- (a) review the agreements referred to in section 14.5 to determine if those agreements are in compliance with this Part,

- (b) make reasonable enquiries to ensure that each sub-custodian is an entity referred to in subsection 14.2(1) or (2), as applicable, and
 - (c) make or cause to be made any changes that may be necessary to ensure that
 - (i) the agreements are in compliance with this Part, and
 - (ii) each sub-custodian is an entity referred to in subsection 14.2(1) or (2), as applicable.
- (2) The custodian of an investment fund must, within 60 days after the end of each financial year of the investment fund, advise the investment fund in writing
- (a) of the names and addresses of all sub-custodians of the investment fund,
 - (b) if the agreements are in compliance with this Part, and
 - (c) if, to the best of the knowledge and belief of the custodian, each sub-custodian is an entity that satisfies the requirements of subsection 14.2(1) or (2), as applicable.
- (3) A copy of the report referred to in subsection (2) must be delivered by or on behalf of the investment fund to the securities regulatory authority within 30 days after the filing of the annual financial statements of the investment fund.

Holding of portfolio assets and payment of fees

- 14.7** (1) Except as provided in subsections (2) and (3) and sections 14.8 and 14.9, portfolio assets not registered in the name of the investment fund must be registered in the name of the custodian or a sub-custodian of the investment fund or any of their respective nominees with an account number or other designation in the records of the custodian sufficient to show that the beneficial ownership of the portfolio assets is vested in the investment fund.
- (2) The custodian or a sub-custodian of the investment fund or the applicable nominee must segregate portfolio assets issued in bearer form to show that the beneficial ownership of the property is vested in the investment fund.
- (3) A custodian or sub-custodian of an investment fund may deposit portfolio assets with a depository or a clearing agency that operates a book-based system.

- (4) The custodian or sub-custodian of an investment fund arranging for the deposit of portfolio assets with, and their delivery to, a depository, or clearing agency, that operates a book-based system must ensure that the records of any of the applicable participants in that book-based system or the custodian contain an account number or other designation sufficient to show that the beneficial ownership of the portfolio assets is vested in the investment fund.
- (5) No investment fund may pay a fee to a custodian or sub-custodian for the transfer of beneficial ownership of portfolio assets other than for safekeeping and administrative services in connection with acting as custodian or sub-custodian.

Custodial provisions relating to derivatives and securities lending, repurchases and reverse repurchase agreements

- 14.8 (1) For the purposes of subsection (4), “specified derivative” has the same meaning as in NI 81-102.
- (2) An investment fund may deposit portfolio assets as margin for transactions in Canada involving clearing corporation options, options on futures or standardized futures with a dealer that is a member of an SRO that is a participating member of CIPF if the amount of margin deposited does not, when aggregated with the amount of margin already held by the dealer on behalf of the investment fund, exceed 10% of the net assets of the investment fund, taken at market value as at the time of deposit.
 - (3) An investment fund may deposit portfolio assets with a dealer as margin for transactions outside Canada involving clearing corporation options, options on futures or standardized futures if
 - (a) in the case of standardized futures and options on futures, the dealer is a member of a futures exchange or, in the case of clearing corporation options, is a member of a stock exchange, and, as a result in either case, is subject to a regulatory audit,
 - (b) the dealer has a net worth, determined from its most recent audited financial statements that have been made public, in excess of the equivalent of \$50 million, and
 - (c) the amount of margin deposited does not, when aggregated with the amount of margin already held by the dealer on behalf of the investment fund, exceed 10% of the net assets of the investment fund, taken at market value as at the time of deposit.
 - (4) An investment fund may deposit with its counterparty portfolio assets over which it has granted a security interest in connection with a particular specified derivatives transaction.

- (5) The agreement by which portfolio assets are deposited in accordance with subsection (2), (3) or (4) must require the person or company holding the portfolio assets to ensure that its records show that the investment fund is the beneficial owner of the portfolio assets.
- (6) An investment fund may deliver portfolio assets to a person or company in satisfaction of its obligations under a securities lending, repurchase or reverse purchase agreement if the collateral, cash proceeds or purchased securities that are delivered to the investment fund in connection with the transaction are held under the custodianship of the custodian or a sub-custodian of the investment fund in compliance with this Part.

Custodial provisions relating to short sales –

- 14.8.1** (1) For the purposes of subsection (2), “borrowing agent” has the same meaning as in NI 81-102.
- (2) Except where the borrowing agent is the investment fund’s custodian or sub-custodian, if an investment fund deposits portfolio assets with a borrowing agent as security in connection with a short sale of securities, the market value of portfolio assets deposited with the borrowing agent must not, when aggregated with the market value of portfolio assets already held by the borrowing agent as security for outstanding short sales of securities by the investment fund, exceed 10% of the net asset value of the investment fund at the time of deposit.
 - (3) An investment fund must not deposit portfolio assets as security in connection with a short sale of securities with a dealer in Canada unless that dealer is a registered dealer and is a member of the Investment Industry Regulatory Organization of Canada.
 - (4) An investment fund must not deposit portfolio assets as security in connection with a short sale of securities with a dealer outside Canada unless that dealer
 - (a) is a member of a stock exchange and is subject to a regulatory audit, and
 - (b) has a net worth, determined from its most recent audited financial statements that have been made public, in excess of the equivalent of \$50 million.

Separate account for paying expenses

14.9 An investment fund may deposit cash in Canada with an entity referred to in paragraph (a) or (b) of subsection 14.2(1) to facilitate the payment of regular operating expenses of the investment fund.

PART 15 Documents Incorporated by Reference by Investment Funds

Application

15.1 This Part applies only to an investment fund in continuous distribution,.

Incorporation by reference

- 15.2 (1)** An investment fund must incorporate by reference into its long form prospectus, by means of a statement to that effect, the filed documents listed in
- (a) section 37.1 of Form 41-101F2 for investment funds other than scholarship plans, and
 - (b) subsection 4.1(1) of Part B of Form 41-101F3 for scholarship plans.
- (2)** If an investment fund does not incorporate by reference into its long form prospectus a document referred to in subsection (1), the document is deemed, for the purposes of securities legislation, to be incorporated by reference in the investment fund's long form prospectus as of the date of the long form prospectus.
- (3)** An investment fund must incorporate by reference in its long form prospectus, by means of a statement to that effect, the subsequently filed documents referred to in
- (a) section 37.2 of Form 41-101F2 for investment funds other than scholarship plans, and
 - (b) subsection 4.1(2) of Part B of Form 41-101F3 for scholarship plans..
- (4)** If an investment fund does not incorporate by reference into its long form prospectus a document referred to in subsection (3), the document is deemed, for the purposes of securities legislation, to be incorporated by reference in the investment fund's long form prospectus as of the date the investment fund filed the document.

PART 16 Distribution of Preliminary Prospectus and Distribution List

Distribution of preliminary prospectus and distribution list

- 16.1** Except in Ontario, any dealer distributing a security during the waiting period must
- (a) send a copy of the preliminary prospectus to each prospective purchaser who indicates an interest in purchasing the security and requests a copy of such preliminary prospectus, and
 - (b) maintain a record of the names and addresses of all persons and companies to whom the preliminary prospectus has been forwarded.

[**Note:** In Ontario, sections 66 and 67 of the *Securities Act* (Ontario) impose similar requirements regarding the distribution of a preliminary prospectus and maintaining a distribution list.]

PART 17 Lapse Date

Pro forma prospectus

- 17.1** (1) In this Part, “pro forma prospectus” means a long form prospectus that complies with the requirements described in subsection (2).
- (2) A pro forma prospectus must be prepared in the form of a long form prospectus in accordance with Form 41-101F1, Form 41-101F2 or Form 41-101F3, as applicable, and other securities legislation, except that a pro forma prospectus is not required to contain prospectus certificates or to comply with sections 4.2, 4.3 and 4.4 of this Instrument.
- (3) This Part does not apply to a prospectus filed in accordance with NI 44-101, NI 44-102 or NI 44-103.

Refiling of prospectus

- 17.2** (1) This section does not apply in Ontario.
- (2) In this section, “lapse date” means, with reference to the distribution of a security that has been qualified under a prospectus, the date that is 12 months after the date of the most recent final prospectus relating to the security.
- (3) An issuer must not continue the distribution of a security to which the prospectus requirement applies after the lapse date unless the issuer files a new prospectus that complies with securities legislation and a receipt for that new prospectus is issued by the regulator.

- (4) Despite subsection (3), a distribution may be continued for a further 12 months after a lapse date if,
- (a) the issuer delivers a pro forma prospectus not less than 30 days before the lapse date of the previous prospectus;
 - (b) the issuer files a new final prospectus no later than 10 days after the lapse date of the previous prospectus; and
 - (c) a receipt for the new final prospectus is issued by the regulator within 20 days after the lapse date of the previous prospectus.
- (5) The continued distribution of securities after the lapse date does not contravene subsection (3) unless and until any of the conditions of subsection (4) are not complied with.
- (6) Subject to any extension granted under subsection (7), if a condition in subsection (4) is not complied with, a purchaser may cancel a purchase made in a distribution after the lapse date in reliance on subsection (4) within 90 days after the purchaser first became aware of the failure to comply with the condition.
- (7) The regulator may, on an application of a reporting issuer, extend, subject to such terms and conditions as it may impose, the times provided by subsection (4) where in its opinion it would not be prejudicial to the public interest to do so.

[**Note:** In Ontario, section 62 of the *Securities Act* (Ontario) imposes similar requirements and procedures regarding refiling of prospectuses.]

PART 18 Statement of Rights

Statement of rights

- 18.1** Except in Ontario, a prospectus must contain a statement of the rights given to a purchaser under securities legislation in case of a failure to deliver the prospectus or in case of a misrepresentation in a prospectus.

[**Note:** In Ontario, section 60 of the *Securities Act* (Ontario) imposes a similar requirement for the inclusion of a statement of rights in a prospectus.]

PART 19 Exemption

Exemption

- 19.1 (1)** The regulator or the securities regulatory authority may grant an exemption from the provisions of this Instrument, in whole or in part,

subject to such conditions or restrictions as may be imposed in the exemption.

- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of NI 14-101 opposite the name of the local jurisdiction.

Application for exemption

19.2 An application made to the securities regulatory authority or regulator for an exemption from the provisions of this Instrument must include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.

Evidence of exemption

- 19.3** (1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting under this Part of an exemption, other than an exemption from subsection 2.2(2), may be evidenced by the issuance of a receipt for a final prospectus or an amendment to a final prospectus.
- (2) The issuance of a receipt for a final prospectus or an amendment to a final prospectus is not evidence that the exemption has been granted unless
- (a) the person or company that sought the exemption sent to the regulator
 - (i) the letter or memorandum referred to in section 19.2 on or before the date of the filing of the pro forma or preliminary prospectus, or
 - (ii) the letter or memorandum referred to in section 19.2 after the date of the filing of the pro forma or preliminary prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1), and
 - (b) the regulator has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be evidenced in the manner set out in subsection (1).

PART 20 Transition, Effective Date, and Repeal

20.1 *[Repealed]*

Effective date

20.2 This Instrument comes into force on March 17, 2008.

Repeal

20.3 National Instrument 41-101 *Prospectus Disclosure Requirements*, which came into force on December 31, 2000, is repealed.

**APPENDIX A TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

**PERSONAL INFORMATION FORM
AND AUTHORIZATION OF INDIRECT COLLECTION,
USE AND DISCLOSURE OF PERSONAL INFORMATION**

**SCHEDULE 1
PART A**

Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of Personal Information

This Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of Personal Information (the "Form") is to be completed by every individual who, in connection with an issuer filing a prospectus (the "Issuer"), is required to do so under Part 9 of National Instrument 41-101 *General Prospectus Requirements* or Part 4 of National Instrument 44-101 *Short Form Prospectus Distributions* or Part 2 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

The securities regulatory authorities do not make any of the information provided in this Form public.

General Instructions:

All Questions **All questions must have a response.** The response of "N/A" or "Not Applicable" will not be accepted" for any questions, except Questions 1(B), 2(iii) and (v) and 5.

For the purposes of answering the questions in this Form, the term "issuer" includes an investment fund manager.

Questions 6 to 10 Please place a checkmark(√) in the appropriate space provided. If your answer to any of questions 6 to 10 is "YES", you must, in an attachment, provide complete details, including the circumstances, relevant dates, names of the parties involved and final disposition, if known. **Any attachment must be initialed by the person completing this Form.** Responses must consider all time periods.

Delivery **The issuer should deliver completed Forms electronically via the System for Electronic Document Analysis and Retrieval (SEDAR) under the document type "Personal Information Form and Authorization". Access to this document type is not available to the public.**

CAUTION

An individual who makes a false statement commits an offence under securities legislation. Steps may be taken to verify the answers you have given in this Form, including verification of information relating to any previous criminal record.

DEFINITIONS

“Offence” An offence includes:

- (a) a summary conviction or indictable offence under the *Criminal Code* (Canada);
- (b) a quasi-criminal offence (for example under the *Income Tax Act* (Canada), the *Immigration Act* (Canada) or the tax, immigration, drugs, firearms, money laundering or securities legislation of any Canadian or foreign jurisdiction);
- (c) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein; or
- (d) an offence under the criminal legislation of any other foreign jurisdiction;

GUIDANCE: If you have received a pardon under the *Criminal Records Act* (Canada) for an Offence that relates to fraud (including any type of fraudulent activity), misappropriation of money or other property, theft, forgery, falsification of books or documents or similar Offences, you must disclose the pardoned Offence in this Form. In such circumstances:

- (a) the appropriate written response would be “Yes, pardon granted on (date)”; and
- (b) you must provide complete details in an attachment to this Form.

“Proceedings” means:

- (a) a civil or criminal proceeding or inquiry which is currently before a court;
- (b) a proceeding before an arbitrator or umpire or a person or group of persons authorized by law to make an inquiry and take evidence under oath in the matter;
- (c) a proceeding before a tribunal in the exercise of a statutory power of decision making where the tribunal is required by law to hold or afford the parties to the proceeding an opportunity for a hearing before making a decision; or
- (d) a proceeding before a self-regulatory entity authorized by law to regulate the operations and the standards of practice and business conduct of its members

(including where applicable, issuers listed on a stock exchange) and individuals associated with those members and issuers, in which the self-regulatory entity is required under its by-laws, rules or policies to hold or afford the parties the opportunity to be heard before making a decision, but does not apply to a proceeding in which one or more persons are required to make an investigation and to make a report, with or without recommendations, if the report is for the information or advice of the person to whom it is made and does not in any way bind or limit that person in any decision the person may have the power to make;

“securities regulatory authority” or “SRA” means a body created by statute in any Canadian or foreign jurisdiction to administer securities law, regulation and policy (e.g. securities commission), but does not include an exchange or other self-regulatory entity;

“self regulatory entity or “SRE”” means:

- (a) a stock, derivatives, commodities, futures or options exchange;
- (b) an association of investment, securities, mutual fund, commodities, or future dealers;
- (c) an association of investment counsel or portfolio managers;
- (d) an association of other professionals (e.g. legal, accounting, engineering); and
- (e) any other group, institution or self-regulatory organization, recognized by a securities regulatory authority, that is responsible for the enforcement of rules, policies, disciplines or codes under any applicable legislation, or considered an “SRE” in another country.

1. A. IDENTIFICATION OF INDIVIDUAL COMPLETING FORM

LAST NAME(S)		FIRST NAME(S)			FULL MIDDLE NAME(S) (No initials. If none, please state)	
NAME(S) MOST COMMONLY KNOWN BY:						
NAME OF ISSUER						
PRESENT or PROPOSED POSITION(S) WITH THE ISSUER – check (√) all positions below that are applicable.	(√)	IF DIRECTOR / OFFICER DISCLOSE THE DATE ELECTED / APPOINTED			IF OFFICER – PROVIDE TITLE IF OTHER – PROVIDE DETAILS	
		Month	Day	Year		
Director						

Officer					
Other					

B. Other than the name given in Question 1A above, provide any legal names, assumed names or nicknames under which you have carried on business or have otherwise been known, including information regarding any name change(s) resulting from marriage, divorce, court order or any other process. Use an attachment if necessary.

	FROM		TO	
	MM	YY	MM	YY

C.

GENDER	DATE OF BIRTH			PLACE OF BIRTH		
	Month	Day	Year	City	Province/State	Country
Male						
Female						

D.

MARITAL STATUS	FULL NAME OF SPOUSE - include common-law	OCCUPATION OF SPOUSE

E. TELEPHONE AND FACSIMILE NUMBERS AND E-MAIL ADDRESS

RESIDENTIAL	()	FACSIMILE	()
BUSINESS	()	E-MAIL*	

* Provide an email address that the regulator may use to contact you regarding this personal information form. This email address may be used to exchange personal information relating to you.

F. RESIDENTIAL HISTORY - Provide all residential addresses for the past 10 YEARS starting with your current principal residential address. If you are unable to recall the complete residential address for a period, which is beyond five years from the date of completion of this Form, the municipality and province or state and country must be identified. The regulator reserves the right to require the full address.

STREET ADDRESS, CITY, PROVINCE/STATE, COUNTRY & POSTAL/ZIP CODE	FROM		TO	
	MM	YY	MM	YY

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2. CITIZENSHIP

A.		YES	NO
(i)	Are you a Canadian citizen?		
(ii)	Are you a person lawfully in Canada as an immigrant but are not yet a Canadian citizen?		
(iii)	If "Yes" to Question 2(ii), the number of years of continuous residence in Canada:		
(iv)	Do you hold citizenship in any country other than Canada?		
(v)	If "Yes" to Question 2(iv), the name of the country(ies):		

B. Repealed

3. EMPLOYMENT HISTORY

Provide your complete employment history for the **5 YEARS** immediately prior to the date of this Form starting with your current employment. Use an attachment if necessary. If you were unemployed during this period of time, state this and identify the period of unemployment

EMPLOYER NAME	EMPLOYER ADDRESS	POSITION HELD	FROM		TO	
			M M	YY	M M	YY

4. INVOLVEMENT WITH ISSUERS

		YES	NO
A.	Are you or have you during the last 10 years ever been a director, officer, promoter, insider or control person for any reporting issuer?		

B. If "YES" to 4A above, provide the names of each reporting issuer. State the position(s) held and the period(s) during which you held the position(s). Use an attachment if necessary.

NAME OF REPORTING ISSUER	POSITION(S) HELD	MARKET TRADED ON	FROM		TO	
			MM	YY	MM	YY

C.	While you were a director, officer or insider of an issuer, did any exchange or other self-regulatory entity ever refuse approval for listing or quotation of the issuer, including (i) a listing resulting from a business combination, reverse takeover or similar transaction involving the issuer that is regulated by an SRE or SRA, (ii) a backdoor listing or qualifying acquisition involving the issuer (as those terms are defined in the TSX Company Manual as amended from time to time) or (iii) a qualifying transaction, reverse takeover or change of business involving the issuer (as those terms are defined in the TSX Venture Corporate Finance Manual as amended from time to time)? If yes, attach full particulars.”.					

5. EDUCATIONAL HISTORY

“A. PROFESSIONAL DESIGNATION(S) – Identify any professional designation held and professional associations to which you belong, for example, Barrister & Solicitor, C.A., C.M.A., C.G.A., P.Eng., P.Geol., CFA, etc. and indicate which organization and the date the designations were granted.

PROFESSIONAL DESIGNATION and MEMBERSHIP NUMBER	GRANTOR OF DESIGNATION and CANADIAN or FOREIGN JURISDICTION	DATE GRANTED	
		MM	YY

Describe the current status of any designation and/or association (e.g. active, retired, non-practicing, suspended)”.

B. Provide your post-secondary educational history starting with the most recent.							
SCHOOL	LOCATION	DEGREE DIPLOMA	OR	DATE OBTAINED			
				MM	DD	YY	

6. **OFFENCES** – If you answer “YES” to any item in Question 6, you must provide complete details in an attachment. **If you have received a pardon under the Criminal Records Act (Canada) for an Offence that relates to fraud (including any type of fraudulent activity), misappropriation of money or other property, theft, forgery, falsification of books or documents or similar Offences, you must disclose the pardoned Offence in this Form.**

		YES	NO
A.	Have you ever, in any Canadian or foreign jurisdiction, pled guilty to or been found guilty of an Offence?		
B.	Are you the subject of any current charge, indictment or proceeding for an Offence, in any Canadian or foreign jurisdiction?		
C.	To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider, or control person of an issuer, in any Canadian or foreign jurisdiction, at the time of events that resulted in the issuer:		
	(i) pleading guilty to or being found guilty of an Offence?		
	(ii) now being the subject of any charge, indictment or proceeding for an alleged Offence?.”		

7. **BANKRUPTCY** – If you answer “YES” to any item in Question 7, you must provide complete details in an attachment and attach a copy of any discharge, release or other applicable document. You must answer “YES” or “NO” for EACH of (A), (B) and (C) below.

	YES	NO
A. Have you, in any Canadian or foreign jurisdiction, within the past 10 years had a petition in bankruptcy issued against you, made a voluntary assignment in bankruptcy, made a proposal under any bankruptcy or insolvency legislation, been subject to any proceeding, arrangement or		
B. Are you now an undischarged bankrupt?		
C. To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider, or control person of an issuer, in any Canadian or foreign jurisdiction, at the time of events, or for a period of 12 months preceding the time of events, where the issuer:		
(i) has made a petition in bankruptcy, a voluntary assignment in bankruptcy, a proposal under any bankruptcy or insolvency legislation, been subject to any proceeding, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to manage the issuer's assets?		
(ii) is now an undischarged bankrupt?		

8. **PROCEEDINGS** – If you answer “YES” to any item in Question 8, you must provide complete details in an attachment.

	YES	NO
“A. CURRENT PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY ENTITY. Are you now, in any Canadian or foreign jurisdiction, the subject of:		
(i) a notice of hearing or similar notice issued by an SRA or SRE?		
(ii) a proceeding of or, to your knowledge, an investigation by, an SRA or SRE?		
(iii) settlement discussions or negotiations for settlement of any nature or kind whatsoever with an SRA or SRE?”.		

YES	NO
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"B	PRIOR PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY ENTITY. Have you <u>ever</u>:		
	(i) been reprimanded, suspended, fined, been the subject of an administrative penalty, or been the subject of any proceedings of any kind whatsoever, in any Canadian or foreign jurisdiction, by an SRA or SRE?		
	(ii) had a registration or licence for the trading of securities, exchange or commodity futures contracts, real estate, insurance or mutual fund products cancelled, refused, restricted or suspended by an SRA or SRE?		
	(iii) been prohibited or disqualified by an SRA or SRE under securities, corporate or any other legislation from acting as a director or officer of a reporting issuer or been prohibited or restricted by an SRA or SRE from acting as a director, officer or employee of, or an agent or consultant to, a reporting issuer?		
	(iv) had a cease trading or similar order issued against you or an order issued against you by an SRA or SRE that denied you the right to use any statutory prospectus or registration exemption?		
	(v) had any other proceeding of any kind taken against you by an SRA or SRE?".		

C.	SETTLEMENT AGREEMENT(S)		
	Have you ever entered into a settlement agreement with an SRA, SRE, attorney general or comparable official or body, in any jurisdiction or in any foreign jurisdiction, in a matter that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading in securities or exchange or commodity futures contracts, illegal distributions, failure to disclose material facts or changes or similar conduct, or any other settlement agreement with respect to any other violation of securities legislation in any Canadian or foreign jurisdiction or the rules, bylaws or policies of any SRE?		

D.	To the best of your knowledge, are you now or have you ever been a director, officer, promoter, insider, or control person of an issuer at the time of such event, in any Canadian or foreign jurisdiction, for which a securities regulatory authority or self regulatory entity:		
	(i) refused, restricted, suspended or cancelled the registration or licensing of an issuer to trade securities, exchange or commodity futures contracts, or to sell or trade real estate, insurance or mutual fund products?		

(ii)	issued a cease trade or similar order or imposed an administrative penalty of any nature or kind whatsoever against the issuer, other than an order for failure to file financial statements that was revoked within 30 days of its issuance?		
(iii)	refused a receipt for a prospectus or other offering document, denied any application for listing or quotation or any other similar application, or issued an order that denied the issuer the right to use any statutory prospectus or registration exemptions?		
(iv)	issued a notice of hearing, notice as to a proceeding or similar notice against the issuer?		
(v)	commenced any other proceeding of any kind against the issuer, including a trading halt, suspension or delisting of the issuer, in connection with an alleged or actual contravention of an SRA's or SRE's rules, regulations, policies or other requirements, but excluding halts imposed (i) in the normal course for proper dissemination of information, or (ii) pursuant to a business combination, reverse takeover or similar transaction involving the issuer that is regulated by an SRE or SRA, including a qualifying transaction, reverse takeover or change of business involving the issuer (as those terms are defined in the TSX Venture Corporate Finance Manual as amended from time to time)?		
(vi)	entered into a settlement agreement with the issuer in a matter that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading in securities or exchange or commodity futures contracts, illegal distributions, failure to disclose material facts or changes or similar conduct by the issuer, or any other violation of securities legislation or the rules, by-laws or policies of an SRE?		

9. **CIVIL PROCEEDINGS** – If you answer “YES” to any item in Question 9, you must provide complete details in an attachment.

		YES	NO
A.	JUDGMENT, GARNISHMENT AND INJUNCTIONS Has a court in any Canadian or foreign jurisdiction:		
	(i) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against <u>you</u> in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		

<p>(ii) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against <u>an issuer</u>, for which you are currently or have ever been a director, officer, promoter, insider or control person, in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?</p>		
--	--	--

B.	CURRENT CLAIMS		
	<p>(i) Are <u>you</u> now subject, in any Canadian or foreign jurisdiction, to a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?</p>		
	<p>(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of <u>an issuer</u> that is now subject, in any Canadian or foreign jurisdiction, of a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?</p>		

C.	SETTLEMENT AGREEMENT		
	<p>(i) Have <u>you</u> ever entered into a settlement agreement, in any jurisdiction or in any foreign jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?</p>		
	<p>(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of <u>an issuer</u> that has entered into a settlement agreement, in any Canadian foreign jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?</p>		

10. INVOLVEMENT WITH OTHER ENTITIES

	YES	NO
A. Has your employment in a sales, investment or advisory capacity with any employer engaged in the sale of real estate, insurance or mutual funds ever been suspended or terminated for cause? If yes, attach full particulars.		
B. Has your employment with a firm or company registered under the securities laws of any Canadian or foreign jurisdiction as a securities dealer, broker, investment advisor or underwriter, ever been suspended or terminated for cause? If yes, attach full particulars.		
C. Has your employment as an officer of an issuer ever been suspended or terminated for cause? If yes, attach full particulars."		

SCHEDULE 1
PART B

CERTIFICATE AND CONSENT

I, _____ hereby certify that:
(Please Print – Name of Individual)

- (a) I have read and understand the questions, cautions, acknowledgement and consent in the personal information form to which this certificate and consent is attached or of which this certificate and consent forms a part (the **"Form"**), and the answers I have given to the questions in the Form and in any attachments to it are correct, except where stated to be answered to the best of my knowledge, in which case I believe the answers to be correct;
- (b) I have been provided with and have read and understand the Personal Information Collection Policy (the **"Personal Information Collection Policy"**) in Schedule 2 of Appendix A to National Instrument 41-101 *General Prospectus Requirements* (**"NI 41-101"**);
- (c) I consent to the collection, use and disclosure by a regulator or a securities regulatory authority listed in Schedule 3 of Appendix A to NI 41-101 (collectively the **"regulators"**) of the information in the Form and to the collection, use and disclosure by the regulators of further personal information in accordance with the Personal Information Collection Policy including the collection, use and disclosure by the regulators of the information in the Form in respect of the prospectus filings of the Issuer and the prospectus filings of any other issuer in a situation where I am or will be:

- (i) a director, executive officer or promoter of the other issuer,
 - (ii) a director or executive officer of a promoter of the other issuer, if the promoter is not an individual, or
 - (iii) where the other issuer is an investment fund, a director or executive officer of the investment fund manager; and
- (d) I am aware that I am providing the Form to the regulators and I understand that I am under the jurisdiction of the regulators to which I submit the Form, and that it is a breach of securities legislation to provide false or misleading information to the regulators, whenever the Form is provided in respect of the prospectus filings of the Issuer or the prospectus filings of any other issuer of which I am or will be a director, executive officer or promoter.

Date [within 30 days of the date of the preliminary prospectus]

Signature of Person Completing this Form

**APPENDIX A TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

**PERSONAL INFORMATION FORM
AND AUTHORIZATION OF INDIRECT COLLECTION,
USE AND DISCLOSURE OF PERSONAL INFORMATION**

SCHEDULE 2

Personal Information Collection Policy

The regulators and securities regulatory authorities (the “**regulators**”) listed in Schedule 3 of Appendix A to National Instrument 41-101 *General Prospectus Requirements* (“**NI 41-101**”) collect the personal information in the personal information form as this term is defined in NI 41-101 (the “**Personal Information Form**”) under the authority granted to them under provincial and territorial securities legislation. Under securities legislation, the regulators do not make any of the information provided in the Personal Information Form public.

The regulators collect the personal information in the Personal Information Form for the purpose of enabling the regulators to administer and enforce provincial and territorial securities legislation, including those provisions that require or permit the regulators to refuse to issue a receipt for a prospectus if it appears to the regulators that the past conduct of management or promoters of the Issuer affords reasonable grounds for belief that the business of the Issuer will not be conducted with integrity and in the best interests of its securityholders.

You understand that by signing the certificate and consent in the Personal Information Form, you are consenting to the Issuer submitting your personal information in the Personal Information Form (the “**Information**”) to the regulators and to the collection and use by the regulators of the Information, as well as any other information that may be necessary to administer and enforce provincial and territorial securities legislation. This may include the collection of information from law enforcement agencies, other government or non-governmental regulatory authorities, self-regulatory organizations, exchanges, and quotation and trade reporting systems in order to conduct background checks, verify the Information and perform investigations and conduct enforcement proceedings as required to ensure compliance with provincial and territorial securities legislation. Your consent also extends to the collection, use and disclosure of the Information as described above in respect of other prospectus filings of the Issuer and the prospectus filings of any other issuer in a situation where you are or will be:

- (a) a director, executive officer or promoter of the other issuer,
- (b) a director or executive officer of a promoter of the other issuer, if the promoter is not an individual, or

- (c) where the other issuer is an investment fund, a director or executive officer of the investment fund manager.

You understand that the Issuer is required to deliver the Information to the regulators because the Issuer has filed a prospectus under provincial and territorial securities legislation. You also understand that you have a right to be informed of the existence of personal information about you that is kept by regulators, that you have the right to request access to that information, and that you have the right to request that such information be corrected, subject to the applicable provisions of the freedom of information and protection of privacy legislation adopted by each province and territory.

You also understand and agree that the Information the regulators collect about you may also be disclosed, as permitted by law, where its use and disclosure is for the purposes described above. The regulators may also use a third party to process the Information, but when this happens, the third party will be carefully selected and obligated to comply with the limited use restrictions described above and with provincial and federal privacy legislation.

Warning: It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Questions

If you have any questions about the collection, use, and disclosure of the information you provide to the regulators, you may contact the regulator in the jurisdiction in which the required information is filed, at the address or telephone number listed in Schedule 3.

**APPENDIX A TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

**PERSONAL INFORMATION FORM
AND AUTHORIZATION OF INDIRECT COLLECTION,
USE AND DISCLOSURE OF PERSONAL INFORMATION**

SCHEDULE 3

Regulators and Securities Regulatory Authorities

Local Jurisdiction

Regulator

Alberta

Securities Review Officer
Alberta Securities Commission
Suite 600, 250 – 5th Street S.W.
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
E-mail: inquiries@seccom.ab.ca
www.albertasecurities.com

British Columbia

Review Officer
British Columbia Securities Commission
P.O. Box 10142 Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899-6854
Toll Free within British Columbia and Alberta: (800)
373-6393
E-mail: inquiries@bcsc.bc.ca
www.bcsc.bc.ca

Manitoba

Director, Corporate Finance
The Manitoba Securities Commission
500-400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2548
E-mail: securities@gov.mb.ca
www.msc.gov.mb.ca

New Brunswick

Director Corporate Finance and Chief Financial
Officer
Financial and Consumer Services Commission
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Fax: (506) 658-3059

E-mail: information@nbsc-cvmnb.ca

Newfoundland and Labrador	Director of Securities Department of Government Services and Lands P.O. Box 8700 West Block, 2nd Floor, Confederation Building St. John's, Newfoundland A1B 4J6 Telephone: (709) 729-4189 www.gov.nf.ca/gsl/cca/s
Northwest Territories	Superintendent of Securities Department of Justice Government of the Northwest Territories P.O. Box 1320, Yellowknife, Northwest Territories X1A 2L9 Telephone: (867) 873- 7490 www.justice.gov.nt.ca/SecuritiesRegistry
Nova Scotia	Deputy Director Compliance and Enforcement Division Nova Scotia Securities Commission P.O. Box 458 Halifax, Nova Scotia B3J 2P8 Telephone: (902) 424-5354 www.gov.ns.ca/nssc
Nunavut	Superintendent of Securities Government of Nunavut Legal Registries Division P.O. Box 1000 – Station 570 Iqaluit, Nunavut X0A 0H0 Telephone: (867) 975-6590
Ontario	Administrative Assistant to the Director of Corporate Finance Ontario Securities Commission 19th Floor, 20 Queen Street West Toronto, Ontario M5H 2S8 Telephone: (416) 597-0681 E-mail: Inquiries@osc.gov.on.ca www.osc.gov.on.ca
Prince Edward Island	Superintendent of Securities Government of Prince Edward Island 95 Rochford Street, P.O. Box 2000, 4th Floor Charlottetown, Prince Edward Island C1A 7N8 Telephone: (902) 368-4550 www.gov.pe.ca/securities

Québec
Autorité des marchés financiers
Stock Exchange Tower
P.O. Box 246, 22nd Floor
800 Victoria Square
Montréal, Québec H4Z 1G3
Attention: Responsable de l'accès à l'information
Telephone: (514) 395-0337
Toll Free in Québec: (877) 525-0337
www.lautorite.qc.ca

Saskatchewan
Director
Financial and Consumer Affairs Authority of
Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
www.fcaa.gov.sk.ca

Yukon
Superintendent of Securities
Office of the Yukon Superintendent of Securities
Department of Community Services
307 Black Street, Whitehorse, Yukon, Y1A 2N1
Phone: 867-667-5466, Fax 867-393-6251

**APPENDIX B TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

**ISSUER FORM OF SUBMISSION TO
JURISDICTION AND APPOINTMENT OF
AGENT FOR SERVICE OF PROCESS**

1. Name of issuer (the "Issuer"):

2. Jurisdiction of incorporation, or equivalent, of Issuer:

3. Address of principal place of business of Issuer:

4. Description of securities (the "Securities"):

5. Date of the prospectus (the "Prospectus") under which the Securities are offered:

6. Name of agent for service of process (the "Agent"):

7. Address for service of process of Agent in Canada (the address may be anywhere in Canada):

8. The Issuer designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, relating to or concerning the distribution of the Securities made or purported to be made under the Prospectus or the obligations of the Issuer as a reporting issuer, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.
9. The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of
 - (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the securities are distributed under the Prospectus; and
 - (b) any administrative proceeding in any such province [or territory],

in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Prospectus or the obligations of the issuer as a reporting issuer.

10. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.
11. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before any change in the name or above address of the Agent.
12. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: _____

Signature of Issuer

Print name and title of signing officer of Issuer

AGENT

The undersigned accepts the appointment as agent for service of process of [insert name of Issuer] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: _____

Signature of Agent

Print name of person signing and, if Agent is not an individual, the title of the person

**APPENDIX C TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

**NON-ISSUER FORM OF SUBMISSION TO
JURISDICTION AND APPOINTMENT OF
AGENT FOR SERVICE OF PROCESS**

1. Name of issuer (the "Issuer"):

2. Jurisdiction of incorporation, or equivalent, of Issuer:

3. Address of principal place of business of Issuer:

4. Description of securities (the "Securities"):

5. Date of the prospectus (the "Prospectus") under which the Securities are offered:

6. Name of person filing this form (the "Filing Person"):

7. Filing Person's relationship to Issuer:

8. Jurisdiction of incorporation, or equivalent, of Filing Person, if applicable, or jurisdiction of residence of Filing Person:

9. Address of principal place of business of Filing Person:

10. Name of agent for service of process (the "Agent"):

11. Address for service of process of Agent in Canada (the address may be anywhere in Canada):

12. The Filing Person designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, relating to or concerning the distribution of the

Securities made or purported to be made under the Prospectus, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring the Proceeding.

13. The Filing Person irrevocably and unconditionally submits to the non-exclusive jurisdiction of
 - (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the securities are distributed under the Prospectus; and
 - (b) any administrative proceeding in any such province [or territory], in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Prospectus.
14. Until six years after completion of the distribution of the Securities made under the Prospectus, the Filing Person shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.
15. Until six years after completion of the distribution of the Securities under the Prospectus, the Filing Person shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before a change in the name or above address of the Agent.
16. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: _____

Signature of Filing Person

Print name of person signing and, if the Filing Person is not an individual, the title of the person

AGENT

The undersigned accepts the appointment as agent for service of process of [insert name of Filing Person] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: _____

Signature of Agent

Print name of person signing and, if Agent is not an individual, the title of the person

**APPENDIX D TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

PRELIMINARY PROSPECTUS NOTICE PROVISIONS

Jurisdiction	Securities Legislation Reference
Alberta	Paragraph 123(a) of the <i>Securities Act</i> (Alberta)
British Columbia Columbia)	Paragraph 78(2)(a) of the <i>Securities Act</i> (British
Manitoba	Paragraph 38(b) of the <i>Securities Act</i> (Manitoba)
New Brunswick	Paragraph 82(2)(a) of the <i>Securities Act</i> (New Brunswick)
Newfoundland and Labrador	Paragraph 66(2)(a) of the <i>Securities Act</i> (Newfoundland and Labrador)
Northwest Territories	Paragraph 97(a) of the <i>Securities Act</i> (Northwest Territories)
Nova Scotia	Paragraph 70(2)(a) of the <i>Securities Act</i> (Nova Scotia)
Nunavut	Paragraph 97(a) of the <i>Securities Act</i> (Nunavut)
Ontario	Paragraph 65(2)(a) of the <i>Securities Act</i> (Ontario)
Prince Edward Island	Paragraph 97(a) of the <i>Securities Act</i> (Prince Edward Island)
Saskatchewan	Paragraph 73(2)(a) of <i>The Securities Act, 1988</i> (Saskatchewan)
Yukon	Paragraph 97(a) of the <i>Securities Act</i> (Yukon)

**APPENDIX E TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

FINAL PROSPECTUS NOTICE PROVISIONS

Jurisdiction	Securities Legislation Reference
British Columbia Columbia)	Paragraph 82(c) of the <i>Securities Act</i> (British
New Brunswick	Section 86 of the <i>Securities Act</i> (New Brunswick), but only in respect of a communication described in paragraph 82(2)(a) of that Act
Newfoundland and Labrador	Section 70 of the <i>Securities Act</i> (Newfoundland and Labrador), but only in respect of a communication described in paragraph 66(2)(a) of that Act
Nova Scotia	Section 74 of the <i>Securities Act</i> (Nova Scotia), but only in respect of a communication described in paragraph 70(2)(a) of that Act
Ontario	Section 69 of the <i>Securities Act</i> (Ontario), but only in respect of a communication described in clause 65(2)(a) of that Act
Saskatchewan	Paragraph 77(c) of <i>The Securities Act, 1988</i> (Saskatchewan).

FORM 41-101F1
INFORMATION REQUIRED IN A PROSPECTUS

GENERAL INSTRUCTIONS

- (1) *The objective of the prospectus is to provide information concerning the issuer that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed. Certain rules of specific application impose prospectus disclosure obligations in addition to those described in this Form.*
- (2) *Terms used and not defined in this Form that are defined or interpreted in the Instrument bear that definition or interpretation. Other definitions are set out in NI 14-101.*
- (3) *In determining the degree of detail required, a standard of materiality must be applied. Materiality is a matter of judgment in the particular circumstance, and is determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items must be considered individually rather than on a net basis, if the items have an offsetting effect.*
- (4) *Unless an item specifically requires disclosure only in the preliminary prospectus, the disclosure requirements set out in this Form apply to both the preliminary prospectus and the prospectus. Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the preliminary prospectus, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.*
- (5) *The disclosure must be understandable to readers and presented in an easy-to-read format. The presentation of information should comply with the plain language principles listed in section 4.1 of Companion Policy 41-101CP General Prospectus Requirements. If technical terms are required, clear and concise explanations should be included.*
- (6) *No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*
- (7) *Where the term "issuer" is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, to also include*

disclosure with respect to persons or companies that the issuer is required, under the issuer's GAAP, to consolidate, proportionately consolidate or account for using the equity method (for example, including "subsidiaries" as that term is used in Canadian GAAP applicable to publicly accountable enterprises). If it is more likely than not that a person or company will become an entity that the issuer will be required, under the issuer's GAAP, to consolidate, proportionately consolidate or account for using the equity method, it may be necessary to also include disclosure with respect to the person or company.

- (8) An issuer that is a special purpose entity may have to modify the disclosure items to reflect the special purpose nature of its business.
- (9) If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.
- (10) If an issuer discloses financial information in a preliminary prospectus or prospectus in a currency other than the Canadian dollar, prominently display the presentation currency.
- (11) Except as otherwise required or permitted, include information in a narrative form. The issuer may include graphs, photographs, maps, artwork or other forms of illustration, if relevant to the business of the issuer or the distribution and not misleading. Include descriptive headings. Except for information that appears in a summary, information required under more than one Item need not be repeated.
- (12) Certain requirements in this Form make reference to requirements in another instrument or form. Unless this Form states otherwise, issuers must also follow the instruction or requirement in the other instrument or form. These references include references to Form 51-102F2. Venture issuers must include such disclosure in a preliminary prospectus or prospectus even if they are not otherwise required to file an annual information form under NI 51-102.
- (13) Wherever this Form uses the word "subsidiary", the term includes companies and other types of business organizations such as partnerships, trusts and other unincorporated business entities.
- (14) Where requirements in this Form make reference to, or are substantially similar to, requirements in Form 51-102F2, issuers may apply the general provision in subpart 1(d) of Form 51-102F2. However, issuers must supplement this disclosure if the supplemented disclosure is necessary to ensure that the prospectus provides full, true and plain disclosure of all material facts related to the securities to be distributed as required under Item 29 of this Form.
- (15) Forward-looking information, as defined in NI 51-102, included in a prospectus must comply with section 4A.2 of NI 51-102 and must include the disclosure

described in section 4A.3 of NI 51-102. In addition to the foregoing, FOPI or a financial outlook, each as defined in NI 51-102, included in a prospectus must comply with Part 4B of NI 51-102. If the forward-looking information relates to an issuer or other entity that is not a reporting issuer in any jurisdiction, section 4A.2, section 4A.3 and Part 4B of NI 51-102 apply as if the issuer or other entity were a reporting issuer in at least one jurisdiction.

- (16) Marketing materials prepared in accordance with subsections 13.7(1) or 13.8(1) of the Instrument are the only documents that can be incorporated by reference into a long form prospectus

ITEM 1: Cover Page Disclosure

1.1 Required statement

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

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

1.2 Preliminary prospectus disclosure

Every preliminary prospectus must have printed in red ink and in italics at the top of the cover page immediately above the disclosure required under section 1.1 the following, with the bracketed information completed:

"A copy of this preliminary prospectus has been filed with the securities regulatory authority(ies) in [each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority(ies)."

INSTRUCTION

Issuers must complete the bracketed information by

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

1.3 Basic disclosure about the distribution

State the following immediately below the disclosure required under sections 1.1 and 1.2 with the bracketed information completed:

“ [PRELIMINARY] PROSPECTUS

[INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR SECONDARY OFFERING]

[(Date)]

[Name of Issuer]

[number and type of securities qualified for distribution under the prospectus, including any options or warrants, and the price per security]”

1.4 Distribution

- 1) If the securities are being distributed for cash, provide the information called for below, in substantially the following tabular form or in a note to the table:

	Price to public (a)	Underwriting discounts or commission (b)	Proceeds to issuer or selling securityholders (c)
Per Security			
Total			

- (2) Describe the terms of any over-allotment option or any option to increase the size of the distribution before closing.

- (2.1) If there may be an over-allocation position provide the following disclosure:

“A purchaser who acquires [insert type of securities qualified for distribution under the prospectus] forming part of the underwriters’ over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases”.

- 3) If the distribution of the securities is to be on a best efforts basis, and a minimum offering amount

- (a) is required for the issuer to achieve one or more of the purposes of the offering, provide totals for both the minimum and maximum offering amount, or
- (b) is not required for the issuer to achieve any of the purposes of the offering, state the following in boldface type:

“No minimum amount of funds must be raised under this offering. This means that the issuer could complete this offering after raising only a small proportion of the offering amount set out above.”

- 4) If a minimum subscription amount is required from each subscriber, provide details of the minimum subscription requirements in the table required under subsection (1).
- 5) If debt securities are being distributed at a premium or a discount, state in boldface type the effective yield if held to maturity.
- 6) Disclose separately those securities that are underwritten, those under option and those to be sold on a best efforts basis, and, in the case of a best efforts distribution, the latest date that the distribution is to remain open.
- 7) In column (b) of the table, disclose only commissions paid or payable in cash by the issuer or selling securityholder and discounts granted. Set out in a note to the table
 - (a) commissions or other consideration paid or payable by persons or companies other than the issuer or selling securityholder,
 - (b) consideration other than discounts granted and cash paid or payable by the issuer or selling securityholder, including warrants and options, and
 - (c) any finder’s fees or similar required payment.
- 8) If a security is being distributed for the account of a selling securityholder, state the name of the securityholder and a cross-reference to the applicable section in the prospectus where further information about the selling securityholder is provided. State the portion of the expenses of the distribution to be borne by the selling securityholder and, if none of the expenses of the distribution are being borne by the selling securityholder, include a statement to that effect and discuss the reason why this is the case.

INSTRUCTIONS

- (1) *Estimate amounts, if necessary. For non-fixed price distributions that are being made on a best efforts basis, disclosure of the information called for by the table*

may be set forth as a percentage or a range of percentages and need not be set forth in tabular form.

- (2) *If debt securities are being distributed, also express the information in the table as a percentage.*

1.5 Offering price in currency other than Canadian dollar

If the offering price of the securities being distributed is disclosed in a currency other than the Canadian dollar, disclose in boldface type the currency.

1.6 Non-fixed price distributions

If the securities are being distributed at non-fixed prices, disclose

- (a) the discount allowed or commission payable to the underwriter,
- (b) any other compensation payable to the underwriter and, if applicable, that the underwriter's compensation will be increased or decreased by the amount by which the aggregate price paid for the securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter to the issuer or selling securityholder,
- (c) that the securities to be distributed under the prospectus will be distributed, as applicable, at
 - (i) prices determined by reference to the prevailing price of a specified security in a specified market,
 - (ii) market prices prevailing at the time of sale, or
 - (iii) prices to be negotiated with purchasers,
- (d) that prices may vary from purchaser to purchaser and during the period of distribution,
- (e) if the price of the securities is to be determined by reference to the prevailing price of a specified security in a specified market, the price of the specified security in the specified market at the latest practicable date,
- (f) if the price of the securities will be the market price prevailing at the time of the sale, the market price at the latest practicable date, and
- (g) the net proceeds or, if the distribution is to be made on a best efforts basis, the minimum amount of net proceeds, if any, to be received by the issuer or selling securityholder.

1.7 Pricing disclosure

If the offering price or the number of securities being distributed, or an estimate of the range of the offering price or of the number of securities being distributed, has been publicly disclosed in a jurisdiction or a foreign jurisdiction as of the date of the preliminary prospectus, include this information in the preliminary prospectus.

1.8 Reduced price distributions

If an underwriter wishes to be able to decrease the price at which securities are distributed for cash from the initial offering price fixed in the prospectus, include in boldface type a cross-reference to the section in the prospectus where disclosure concerning the possible price decrease is provided.

1.9 Market for securities

- 1) Identify the exchange(s) and quotation system(s), if any, on which securities of the issuer of the same class or series as the securities being distributed are traded or quoted and the market price of those securities as of the latest practicable date.
- 2) Disclose any intention to stabilize the market. Provide a cross-reference to the section in the prospectus where further information about market stabilization is provided.
- 3) If no market for the securities being distributed under the prospectus exists or is expected to exist upon completion of the distribution, state the following in boldface type:

"There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See 'Risk Factors'."

- 4) If the issuer has complied with the requirements of the Instrument as an IPO venture issuer, include a statement, in substantially the following form, with bracketed information completed:

"As at the date of this prospectus, [name of issuer] does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.)"

1.10 Risk factors

Include a cross-reference to sections in the prospectus where information about the risks of an investment in the securities being distributed is provided.

1.11 Underwriter(s)

- 1) State the name of each underwriter.
- 2) If applicable, comply with the requirements of NI 33-105 for front page prospectus disclosure.
- 3) If an underwriter has agreed to purchase all of the securities being distributed at a specified price and the underwriter's obligations are subject to conditions, state the following, with bracketed information completed:

"We, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by [name of issuer] and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under Plan of Distribution".

- 4) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the final prospectus.
- 5) If there is no underwriter involved in the distribution, provide a statement in boldface type to the effect that no underwriter has been involved in the preparation of the prospectus or performed any review or independent due diligence of the contents of the prospectus.
- 6) Provide the following tabular information

Underwriter's Position	Maximum size or number of securities available	Exercise period or Acquisition date	Exercise price or average acquisition price
Over-allotment option			
Compensation option			
Any other option granted by issuer or insider of issuer to underwriter			

Total securities under option issuable to underwriter			
Other compensation securities issuable to underwriter			

INSTRUCTION

If the underwriter has been granted compensation securities, state, in a footnote, whether the prospectus qualifies the grant of all or part of the compensation securities and provide a cross-reference to the applicable section in the prospectus where further information about the compensation securities is provided.

1.12 Enforcement of judgments against foreign persons or companies

If the issuer, a director of the issuer, a selling security holder, or any other person or company that is signing or providing a certificate under Part 5 of the Instrument or other securities legislation, or any person or company for whom the issuer is required to file a consent under Part 10 of the Instrument, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed:

"The [issuer, director of the issuer, selling security holder, or other person or company] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada.

[the person or company named below] has appointed the following agent(s) for service of process:

Name of Person or Company	Name and Address of Agent

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process."

1.13 Restricted securities

- 1) Describe the number and class or classes of restricted securities being distributed using the appropriate restricted security terms in the same type face and type size as the rest of the description.
- 2) If the securities being distributed are restricted securities and the holders of the securities do not have the right to participate in a takeover bid made for other equity securities of the issuer, disclose that fact.

1.14 Earnings coverage

If any of the earnings coverage ratios required to be disclosed under Item 9 is less than one-to-one, disclose this fact in boldface type.

ITEM 2: Table of Contents

2.1 Table of contents

Include a table of contents.

ITEM 3: Summary of Prospectus

3.1 General

- 1) Briefly summarize, near the beginning of the prospectus, information appearing elsewhere in the prospectus that, in the opinion of the issuer or selling securityholder, would be most likely to influence the investor's decision to purchase the securities being distributed, including a description of
 - (a) the principal business of the issuer and its subsidiaries,
 - (b) the securities to be distributed, including the offering price and expected net proceeds,
 - (c) use of proceeds,
 - (d) risk factors,
 - (e) financial information, and
 - (f) if restricted securities, subject securities or securities that are directly or indirectly convertible into or exercisable or exchangeable for restricted securities or subject securities, are to be distributed under the prospectus
 - (i) include a summary of the information required by section 10.6, and
 - (ii) include, in boldface type, a statement of the rights the holders of restricted securities do not have, if the holders do not have all of the rights referred to in section 10.6.

- 2) For the financial information provided under paragraph (1)(e),
 - (a) describe the type of information appearing elsewhere in the prospectus on which the financial information is based,
 - (b) disclose whether the information appearing elsewhere in the prospectus on which the financial information is based has been audited,
 - (c) disclose whether the financial information has been audited, and
 - (d) if neither the information appearing elsewhere in the prospectus on which the financial information is based nor the financial information has been audited, prominently disclose that fact.
- 3) For each item summarized under subsection (1), provide a cross-reference to the information in the prospectus.

3.2 Cautionary language

At the beginning of the summary, include a statement in italics in substantially the following form:

"The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus."

ITEM 4: Corporate Structure

4.1 Name, address and incorporation

- 1) State the issuer's full corporate name or, if the issuer is an unincorporated entity, the full name under which it exists and carries on business, and the address(es) of the issuer's head and registered office.
- 2) State the statute under which the issuer is incorporated, continued or organized or, if the issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which it is established and exists.
- 3) Describe the substance of any material amendments to the articles or other constituting or establishing documents of the issuer.

4.2 Intercorporate relationships

- 1) Describe, by way of a diagram or otherwise, the intercorporate relationships among the issuer and its subsidiaries.
- 2) For each subsidiary described in subsection (1), state
 - (a) the percentage of votes attaching to all voting securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by the issuer,
 - (b) the percentage of each class of restricted securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by the issuer, and
 - (c) where the subsidiary was incorporated, continued, formed or organized.
- 3) If the securities distributed under the prospectus are being issued in connection with a restructuring transaction, describe by way of a diagram or otherwise these intercorporate relationships both before and after the completion of the proposed transaction.
- 4) A particular subsidiary may be omitted from the disclosure required by this section if, at the most recent financial year end of the issuer
 - (a) the total assets of the subsidiary do not exceed 10% of the consolidated assets of the issuer,
 - (b) the revenue of the subsidiary does not exceed 10% of the consolidated revenue of the issuer, and
 - (c) the conditions in paragraphs (a) and (b) would be satisfied if
 - (i) the subsidiaries that may be omitted under paragraphs (a) and (b) were considered in the aggregate, and
 - (ii) the reference to 10% in those paragraphs was changed to 20%.

ITEM 5: Describe the Business

5.1 Describe the business

- 1) Describe the business of the issuer and its operating segments that are reportable segments as those terms are described in the issuer's GAAP. Disclose information for each reportable segment of the issuer in accordance with subsection 5.1(1) of Form 51-102F2.
- 2) Disclose the nature and results of any bankruptcy, receivership or similar proceedings against the issuer or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the issuer or any of its

subsidiaries, within the three most recently completed financial years or, if the issuer is a venture issuer or an IPO venture issuer, the two most recently completed financial years, or completed during or proposed for the current financial year.

- 3) Disclose the nature and results of any material restructuring transaction of the issuer or any of its subsidiaries within the three most recently completed financial years or, if the issuer is a venture issuer or an IPO venture issuer, the two most recently completed financial years, or completed during or proposed for the current financial year.
- 4) If the issuer has implemented social or environmental policies that are fundamental to the issuer's operations, such as policies regarding the issuer's relationship with the environment or with the communities in which the issuer does business, or human rights policies, describe them and the steps the issuer has taken to implement them.

5.2 History

- 1) Describe how the issuer's business has developed over the last three completed financial years or, if the issuer is a venture issuer or an IPO venture issuer, the last two completed financial years, and any subsequent period to the date of the prospectus, including only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business.
- 2) If the issuer produces or distributes more than one product or provides more than one kind of service, describe the products or services.
- 3) Discuss changes in the issuer's business that the issuer expects will occur during the current financial year.

5.3 Issuers with asset-backed securities outstanding

If the issuer has asset-backed securities outstanding that were distributed under a prospectus, disclose information in accordance with section 5.3 of Form 51-102F2.

5.4 Issuers with mineral projects

If the issuer has a mineral project, disclose information for the issuer in accordance with section 5.4 of Form 51-102F2. For the purposes of this section, the alternative disclosure permitted in Instruction (ii) to section 5.4 of Form 51-102F2 does not apply.

5.5 Issuers with oil and gas operations

- 1) If the issuer is engaged in oil and gas activities as defined in NI 51-101 and any of the oil and gas information is material as contemplated under NI 51-101 in respect of the issuer, disclose that information in accordance with Form 51-101F1

- (a) as at the end of, and for, the most recent financial year for which the prospectus includes an audited statement of financial position of the issuer,
 - (b) in the absence of a completed financial year referred to in paragraph (a), as at the most recent date for which the prospectus includes an audited statement of financial position of the issuer, and for the most recent financial period for which the prospectus includes an audited statement of comprehensive income of the issuer, or
 - (c) if the issuer was not engaged in oil and gas activities at the date set out in paragraphs (a) or (b), as of a date subsequent to the date the issuer first engaged in oil and gas activities as defined in NI 51-101 and prior to the date of the preliminary prospectus.
- 2) Include with the disclosure under subsection (1) a report in the form of Form 51-101F2, on the reserves data included in the disclosure required under subsection (1).
- 3) Include with the disclosure under subsection (1) a report in the form of Form 51-101F3 that refers to the information disclosed under subsection (1).
- 4) To the extent not reflected in the information disclosed in response to subsection (1), disclose the information contemplated by Part 6 of NI 51-101 in respect of material changes that occurred after the applicable statement of financial position referred to in subsection (1).

INSTRUCTION

Disclosure in a prospectus must be consistent with NI 51-101 if the issuer is engaged in oil and gas activities as defined in NI 51-101.

ITEM 6: Use of Proceeds

6.1 Proceeds

- 1) State the estimated net proceeds to be received by the issuer or selling securityholder or, in the case of a non-fixed price distribution or a distribution to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the issuer or selling securityholder from the sale of the securities distributed.
- 2) State the particulars of any provisions or arrangements made for holding any part of the net proceeds of the distribution in trust or escrow subject to the fulfillment of conditions.

- 3) If the prospectus is used for a special warrant or similar transaction, state the amount that has been received by the issuer of the special warrants or similar securities on the sale of the special warrants or similar securities.

6.2 Junior issuers

A junior issuer must disclose

- (a) the total funds available, and
- (b) the following breakdown of those funds:
 - (i) the estimated net proceeds from the sale of the securities offered under the prospectus;
 - (ii) the estimated consolidated working capital (deficiency) as at the most recent month end before filing the prospectus;
 - (iii) the total other funds available to be used to achieve the principal purposes identified by the junior issuer pursuant to this Item.

6.3 Principal purposes – generally

- 1) Describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which
 - (a) the net proceeds will be used by the issuer, or
 - (b) the funds available as required under section 6.2 will be used by a junior issuer.
- 2) If the closing of the distribution is subject to a minimum offering amount, provide disclosure of the use of proceeds for the minimum and maximum offering amount.
- 3) If the following apply, disclose how the proceeds will be used by the issuer, with reference to various potential thresholds of proceeds raised, in the event that the issuer raises less than the maximum offering amount:
 - (a) the closing of the distribution is not subject to a minimum offering amount;
 - (b) the distribution is to be on a best efforts basis;
 - (c) the issuer has significant short-term non-discretionary expenditures including those for general corporate purposes, or significant short-term capital or contractual commitments, and may not have other readily accessible resources to satisfy those expenditures or commitments.

- 4) If the issuer is required to provide disclosure under subsection (3), the issuer must discuss, in respect of each threshold, the impact, if any, of raising each threshold amount on its liquidity, operations, capital resources and solvency.

INSTRUCTIONS

If the issuer is required to disclose the use of proceeds at various thresholds under subsections 6.3(3) and (4), include as an example a threshold that reflects the receipt of 15% of the offering or less.

6.4 Principal purposes – indebtedness

- 1) If more than 10% of the net proceeds will be used to reduce or retire indebtedness and the indebtedness was incurred within the two preceding years, describe the principal purposes for which the proceeds of the indebtedness were used.
- 2) If the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer, and disclose the outstanding amount owed.

6.5 Principal purposes – asset acquisition

- 1) If more than 10% of the net proceeds are to be used to acquire assets, describe the assets.
- 2) If known, disclose the particulars of the purchase price being paid for or being allocated to the assets or categories of assets, including intangible assets.
- 3) If the vendor of the assets is an insider, associate or affiliate of the issuer, identify the vendor and the nature of the relationship to the issuer, and disclose the method used in determining the purchase price.
- 4) Describe the nature of the title to or interest in the assets to be acquired by the issuer.
- 5) If part of the consideration for the acquisition of the assets consists of securities of the issuer, give brief particulars of the class, number or amount, voting rights, if any, and other appropriate information relating to the securities, including particulars of the issuance of securities of the same class within the two preceding years.

6.6 Principal purposes – insiders, etc.

If an insider, associate or affiliate of the issuer will receive more than 10% of the net proceeds, identify the insider, associate or affiliate and the nature of the relationship to the issuer, and disclose the amount of net proceeds to be received.

6.7 Principal purposes – research and development

If more than 10% of the net proceeds from the distribution will be used for research and development of products or services, describe

- (a) the timing and stage of research and development programs that management anticipates will be reached using such proceeds,
- (b) the major components of the proposed programs that will be funded using the proceeds from the distribution, including an estimate of anticipated costs,
- (c) if the issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods, and
- (d) the additional steps required to reach commercial production and an estimate of costs and timing.

6.8 Business objectives and milestones

- 1) State the business objectives that the issuer expects to accomplish using the net proceeds of the distribution under section 6.1, or in the case of a junior issuer, using the funds available described under section 6.2.
- 2) Describe each significant event that must occur for the business objectives described under subsection (1) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event.

6.9 Unallocated funds in trust or escrow

- 1) Disclose that unallocated funds will be placed in a trust or escrow account, invested or added to the working capital of the issuer.
- 2) Give details of the arrangements made for, and the persons or companies responsible for,
 - (a) the supervision of the trust or escrow account or the investment of unallocated funds, and
 - (b) the investment policy to be followed.

6.10 Other sources of funding

If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds.

6.11 Financing by special warrants, etc.

- 1) If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or the exercise of other securities acquired on a prospectus-exempt basis, describe the principal purposes for which the proceeds of the prospectus-exempt financing were used or are to be used.
- 2) If all or a portion of the funds have been spent, explain how the funds were spent.

ITEM 7: Dividends or Distributions

7.1 Dividends or distributions

- 1) Disclose the amount of cash dividends or distributions declared per security for each class of the issuer's securities for each of the three most recently completed financial years and its current financial year.
- 2) Describe any restrictions that could prevent the issuer from paying dividends or distributions.
- 3) Disclose the issuer's dividend or distribution policy and any intended change in dividend or distribution policy.

ITEM 8: Management's Discussion and Analysis

8.1 Interpretation

- 1) For the purposes of this Item, MD&A means a completed Form 51-102F1 or, in the case of an SEC issuer, a completed Form 51-102F1 or management's discussion and analysis prepared in accordance with Item 303 of Regulation S-K under the 1934 Act.
- 2) For MD&A in the form of Form 51-102F1, the issuer
 - (a) must read the references to a "venture issuer" in Form 51-102F1 to include an IPO venture issuer,
 - (b) must disregard
 - (i) the Instruction to section 1.11 of Form 51-102F1, and
 - (ii) section 1.15 of Form 51-102F1, and

- (c) must include the disclosure required by section 1.10 of Form 51-102F1 in the prospectus.

INSTRUCTION

For the purposes of paragraph (2)(c), an issuer cannot satisfy the requirement in section 1.10 of Form 51-102F1 by incorporating by reference its fourth quarter MD&A into the prospectus.

8.2 MD&A

- 1) Provide MD&A for
 - (a) the most recent annual financial statements of the issuer included in the prospectus under Item 32, and
 - (b) the most recent interim financial report of the issuer included in the prospectus under Item 32.
- 2) If the prospectus includes the issuer's annual statements of comprehensive income, statements of changes in equity, and statements of cash flow for three financial years under Item 32, provide MD&A for the second most recent annual financial statements of the issuer included in the prospectus under Item 32.
- 3) Despite subsection (2), MD&A for the second most recent annual financial statements of the issuer included in the prospectus under Item 32 may omit disclosure regarding statement of financial position items.

GUIDANCE

Under section 2.2.1 of Form 51-102F1, for financial years beginning on or after July 1, 2015, venture issuers, or IPO venture issuers, have the option of meeting the requirement to provide interim MD&A under section 2.2 of Form 51-102F1 by providing quarterly highlights disclosure.

8.3 [repealed]

8.4 Disclosure of outstanding security data

- 1) Disclose the designation and number or principal amount of
 - (a) each class and series of voting or equity securities of the issuer for which there are securities outstanding,
 - (b) each class and series of securities of the issuer for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities of the issuer, and

- (c) subject to subsection (2), each class and series of voting or equity securities of the issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer.
- 2) If the exact number or principal amount of voting or equity securities of the issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer is not determinable, the issuer must disclose the maximum number or principal amount of each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer and, if that maximum number or principal amount is not determinable, the issuer must describe the exchange or conversion features and the manner in which the number or principal amount of voting or equity securities will be determined.
- 3) The disclosure under subsections (1) and (2) must be prepared as of the latest practicable date.

8.5 More recent financial information

If the issuer is required to include more recent historical financial information in the prospectus under subsection 32.6(2), the issuer is not required to update the MD&A already included in the prospectus under this Item.

8.6 Additional disclosure for venture issuers or IPO venture issuers without significant revenue

- 1) If the issuer is a venture issuer or an IPO venture issuer that has not had significant revenue from operations in either of its last two financial years, disclose a breakdown of material components of
 - (a) exploration and evaluation assets or expenditures,
 - (b) expensed research and development costs,
 - (c) intangible assets arising from development,
 - (d) general and administrative expenses, and
 - (e) any material costs, whether expensed or recognized as assets, not referred to in paragraphs (a) through (d).
- 2) Present the analysis of exploration and evaluation assets or expenditures required by subsection (1) on a property-by-property basis, if the issuer's business primarily involves mining exploration and development.
- 3) Provide the disclosure in subsection (1) for the following periods:
 - (a) the two most recently completed financial years; and

- (b) if the issuer is not providing disclosure in accordance with section 2.2.1 of Form 51-102F1, the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial report included in the prospectus, if any.
- 4) Subsection (1) does not apply if the information required under that subsection has been disclosed in the financial statements included in the prospectus.

8.7 Additional disclosure for junior issuers

For a junior issuer that had negative cash flow from operating activities in its most recently completed financial year for which financial statements have been included in the prospectus, disclose

- (a) the period of time the proceeds raised under the prospectus are expected to fund operations,
- (b) the estimated total operating costs necessary for the issuer to achieve its stated business objectives during that period of time, and
- (c) the estimated amount of other material capital expenditures during that period of time.

In determining cash flow from operating activities, the issuer must include cash payments related to dividends and borrowing costs.

8.8 Additional disclosure for issuers with significant equity investees

- 1) An issuer that has a significant equity investee must disclose
 - (a) summarized financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss, and
 - (b) the issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the issuer's share of profit or loss.
- 2) Provide the disclosure in subsection (1) for the following periods:
 - (a) the two most recently completed financial years;
 - (b) if the issuer is not providing disclosure in accordance with section 2.2.1 of Form 51-102F1, the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial report included in the prospectus, if any.
- 3) Subsection (1) does not apply if

- (a) the information required under that subsection has been disclosed in the financial statements included in the prospectus, or
- (b) the issuer includes in the prospectus separate financial statements of the equity investee for the periods referred to in subsection (2).

ITEM 9: Earnings Coverage Ratios

9.1 Earnings coverage ratios

- 1) If the securities being distributed are debt securities having a term to maturity in excess of one year or are preferred shares, disclose the following earnings coverage ratios adjusted in accordance with subsection (2):
 - (a) the earnings coverage ratio based on the most recent 12-month period included in the issuer's annual financial statements included in the prospectus,
 - (b) if there has been a change in year end and the issuer's most recent financial year is less than nine months in length, the earnings coverage calculation for its old financial year, and
 - (c) the earnings coverage ratio based on the 12-month period ended on the last day of the most recently completed period for which an interim financial report of the issuer has been included in the prospectus.
- 2) Adjust the ratios referred to in subsection (1) to reflect
 - (a) the issuance of the securities being distributed under the prospectus, based on the price at which these securities are expected to be distributed,
 - (b) in the case of a distribution of preferred shares,
 - (i) the issuance of all preferred shares since the date of the annual financial statements or interim financial report, and
 - (ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed, or otherwise retired since the date of the annual financial statements or interim financial report and of all preferred shares to be repurchased, redeemed, or otherwise retired from the proceeds to be realized from the sale of securities under the prospectus,
 - (c) the issuance of all financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual financial statements or interim financial report, and

- (d) the repayment, redemption or other retirement of all financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual financial statements or interim financial report and all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities distributed under the prospectus.
 - (e) *[repealed]*
- 3) *[repealed]*.
 - 4) If the earnings coverage ratio is less than one-to-one, disclose in the prospectus the dollar amount of the numerator required to achieve a ratio of one-to-one.
 - 5) If the prospectus includes a pro forma income statement, calculate the pro forma earnings coverage ratios for the periods of the pro forma income statement, and disclose them in the prospectus.

INSTRUCTIONS

- (1) *Cash flow coverage may be disclosed but only as a supplement to earnings coverage and only if the method of calculation is fully disclosed.*
- (2) *Earnings coverage is calculated by dividing an entity's profit or loss attributable to owners of the parent (the numerator) by its borrowing costs and dividend obligations (the denominator).*
- (3) *For the earnings coverage calculation*
 - (a) *the numerator should be calculated using consolidated profit or loss attributable to owners of the parent before borrowing costs and income taxes;*
 - (b) *imputed interest income from the proceeds of a distribution should not be added to the numerator;*
 - (c) *[repealed]*
 - (d) *for distributions of debt securities, the appropriate denominator is borrowing costs, after giving effect to the new debt securities issue and any retirement of obligations, plus the borrowing costs that have been capitalized during the period;*
 - (e) *for distributions of preferred shares*
 - (i) *the appropriate denominator is dividends declared during the period, together with undeclared dividends on cumulative preferred shares, after giving effect to the new preferred share issue, plus the issuer's annual borrowing cost requirements, including*

the borrowing costs that have been capitalized during the period, less any retirement of obligations, and

- (ii) *dividends should be grossed-up to a before-tax equivalent using the issuer's effective income tax rate; and*
 - (f) *for distributions of both debt securities and preferred shares, the appropriate denominator is the same as for a preferred share issue, except that the denominator should also reflect the effect of the debt securities being offered pursuant to the prospectus.*
- (4) *The denominator represents a pro forma calculation of the aggregate of an issuer's borrowing cost obligations on all financial liabilities and dividend obligations (including both dividends declared and undeclared dividends on cumulative preferred shares) with respect to all outstanding preferred shares, as adjusted to reflect*
 - (a) *the issuance of all financial liabilities and, in addition in the case of an issuance of preferred shares, all preferred shares issued, since the date of the annual financial statements or interim financial report;*
 - (b) *the issuance of the securities that are to be distributed under the prospectus, based on a reasonable estimate of the price at which these securities will be distributed; and*
 - (c) *the repayment or redemption of all financial liabilities since the date of the annual financial statements or interim financial report, all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus and, in addition, in the case of an issuance of preferred shares, all preferred shares repaid or redeemed since the date of the annual financial statements or interim financial report and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus.*
 - (d) *[repealed]*
- (5) *[repealed]*
- (6) *For debt securities, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:*

"[Name of the issuer]'s borrowing cost requirements, after giving effect to the issue of [the debt securities to be distributed under the prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]'s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]'s borrowing cost requirements for this period."

- (7) For preferred share issues, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:

"[Name of the issuer]'s dividend requirements on all of its preferred shares, after giving effect to the issue of [the preferred shares to be distributed under the prospectus], and adjusted to a before-tax equivalent using an effective income tax rate of •%, amounted to \$• for the 12 months ended •. [Name of the issuer]'s borrowing cost requirements for the 12 months then ended amounted to \$•. [Name of the issuer]'s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]'s aggregate dividend and borrowing cost requirements for this period."

- (8) Other earnings coverage calculations may be included as supplementary disclosure to the required earnings coverage calculations outlined above as long as their derivation is disclosed and they are not given greater prominence than the required earnings coverage calculations.

ITEM 10: Description of the Securities Distributed

10.1 Equity securities

If equity securities are being distributed, state the description or the designation of the class of the equity securities and describe all material attributes and characteristics, including

- (a) dividend rights,
- (b) voting rights,
- (c) rights upon dissolution or winding-up,
- (d) pre-emptive rights,
- (e) conversion or exchange rights,
- (f) redemption, retraction, purchase for cancellation or surrender provisions,
- (g) sinking or purchase fund provisions,
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions, and
- (i) provisions requiring a securityholder to contribute additional capital.

10.2 Debt securities

If debt securities are being distributed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including

- (a) provisions for interest rate, maturity and premium, if any,
- (b) conversion or exchange rights,
- (c) redemption, retraction, purchase for cancellation or surrender provisions,
- (d) sinking or purchase fund provisions,
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge,
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the issuer or its subsidiaries, and provisions as to the release or substitution of assets securing the debt securities,
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates, and
- (h) any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

10.3 Asset-backed securities

- 1) This section applies only if any asset-backed securities are being distributed under the prospectus.
- 2) Describe the material attributes and characteristics of the asset-backed securities, including
 - (a) the rate of interest or stipulated yield and any premium,
 - (b) the date for repayment of principal or return of capital and any circumstances in which payments of principal or capital may be made before such date, including any redemption or pre-payment obligations or privileges of the issuer and any events that may trigger early liquidation or amortization of the underlying pool of financial assets,
 - (c) provisions for the accumulation of cash flows to provide for the repayment of principal or return of capital,

- (d) provisions permitting or restricting the issuance of additional securities and any other material negative covenants applicable to the issuer,
 - (e) the nature, order and priority of the entitlements of holders of asset-backed securities and any other entitled persons or companies to receive cash flows generated from the underlying pool of financial assets, and
 - (f) any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of payments or distributions to be made under the asset-backed securities, including those that are dependent or based on the economic performance of the underlying pool of financial assets.
- 3) Provide financial disclosure that describes the underlying pool of financial assets for
- (a) the three most recently completed financial years ended more than
 - (i) 90 days before the date of the prospectus, or
 - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,
 - (b) if the issuer has not had asset-backed securities outstanding for three financial years, each completed financial year ended more than
 - (i) 90 days before the date of the prospectus, or
 - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,
 - (c) a period from the date the issuer had asset-backed securities outstanding to a date not more than 90 days before the date of the prospectus if the issuer has not had asset-backed securities outstanding for at least one financial year.
- 4) For the purposes of the financial disclosure required by subsection (3), if an issuer changed its financial year end during any of the financial years referred to in subsection (3) and the transition year is less than nine months, the transition year is not a financial year.
- 5) Despite subsection (4), all financial disclosure that describes the underlying pool of financial assets of the issuer for a transition year must be included in the prospectus for the most recent interim period, if any, ended

- (a) subsequent to the most recent financial year refer to in paragraphs (3)(a) and (3)(b) in respect of which financial disclosure on the underlying pool of financial assets is included in the prospectus, and
 - (b) more than
 - (i) 45 days before the date of the prospectus, or
 - (ii) 60 days before the date of the prospectus if the issuer is a venture issuer.
- 6) If the issuer files financial disclosure that describes the underlying pool of financial assets for a more recent period than required under subsection (3) or (5) before the prospectus is filed, the issuer must include that more recent financial disclosure that describes the underlying pool of financial assets in the prospectus.
- 7) If financial disclosure that describes the underlying pool of financial assets of the issuer is publicly disseminated by, or on behalf of, the issuer through news release or otherwise for a more recent period than required under subsection (3) or (5), the issuer must include the content of the news release or public communication in the prospectus.
- 8) The disclosure in subsections (3) and (5) must include a discussion and analysis of
 - (a) the composition of the pool as at the end of the period,
 - (b) profit and losses from the pool for the period presented on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets,
 - (c) the payment, prepayment and collection experience of the pool for the period on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets,
 - (d) servicing and other administrative fees, and
 - (e) any significant variances experienced in the matters referred to in paragraphs (a) through (d).
- 9) Describe the type of financial assets, the manner in which the financial assets originated or will originate and, if applicable, the mechanism and terms of the agreement governing the transfer of the financial assets comprising the underlying pool to or through the issuer, including the consideration paid for the financial assets.
- 10) Describe any person or company who

- (a) originated, sold or deposited a material portion of the financial assets comprising the pool, or has agreed to do so,
 - (b) acts, or has agreed to act, as a trustee, custodian, bailee or agent of the issuer or any holder of the asset-backed securities, or in a similar capacity,
 - (c) administers or services a material portion of the financial assets comprising the pool or provides administrative or managerial services to the issuer, or has agreed to do so, on a conditional basis or otherwise, if
 - (i) finding a replacement provider of the services at a cost comparable to the cost of the current provider is not reasonably likely,
 - (ii) a replacement provider of the services is likely to achieve materially worse results than the current provider,
 - (iii) the current provider of the services is likely to default in its service obligations because of its current financial condition, or
 - (iv) the disclosure is otherwise material,
 - (d) provides a guarantee, alternative credit support or other credit enhancement to support the obligations of the issuer under the asset-backed securities or the performance of some or all of the financial assets in the pool, or has agreed to do so, or
 - (e) lends to the issuer in order to facilitate the timely payment or repayment of amounts payable under the asset-backed securities, or has agreed to do so.
- 11) Describe the general business activities and material responsibilities under the asset-backed securities of a person or company referred to in subsection (10).
- 12) Describe the terms of any material relationships between
- (a) any of the persons or companies referred to in subsection (10) or any of their respective affiliates, and
 - (b) the issuer.
- 13) Describe any provisions relating to termination of services or responsibilities of any of the persons or companies referred to in subsection (10) and the terms on which a replacement may be appointed.
- 14) Describe any risk factors associated with the asset-backed securities, including disclosure of material risks associated with changes in interest rates or prepayment levels, and any circumstances where payments on the asset-

backed securities could be impaired or disrupted as a result of any reasonably foreseeable event that may delay, divert or disrupt the cash flows dedicated to service the asset-backed securities.

INSTRUCTIONS

- (1) *Present the information required under subsections (3) through (8) in a manner that will enable a reader to easily determine whether, and the extent to which, the events, covenants, standards and preconditions referred to in paragraph (2)(f) have occurred, are being satisfied or may be satisfied.*
- (2) *If the information required under subsections (3) through (8) is not compiled specifically from the underlying pool of financial assets, but is compiled from a larger pool of the same assets from which the securitized assets are randomly selected so that the performance of the larger pool is representative of the performance of the pool of securitized assets, then an issuer may comply with subsections (3) through (8) by providing the financial disclosure required based on the larger pool and disclosing that it has done so.*
- (3) *Issuers are required to summarize contractual arrangements in plain language and may not merely restate the text of the contracts referred to. The use of diagrams to illustrate the roles of, and the relationship among, the persons and companies referred to in subsection (10), and the contractual arrangements underlying the asset-backed securities is encouraged.*

10.4 Derivatives

If derivatives are being distributed, describe fully the material attributes and characteristics of the derivatives, including

- (a) the calculation of the value or payment obligations under the derivatives,
- (b) the exercise of the derivatives,
- (c) settlements that are the result of the exercise of the derivatives,
- (d) the underlying interest of the derivatives,
- (e) the role of a calculation expert in connection with the derivatives,
- (f) the role of any credit supporter of the derivatives, and
- (g) the risk factors associated with the derivatives.

10.5 Special warrants, etc.

If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis, provide

the following disclosure in the prospectus to indicate that holders of such securities have been provided with a contractual right of rescission.

“The issuer has granted to each holder of a special warrant a contractual right of rescission of the prospectus-exempt transaction under which the special warrant was initially acquired. The contractual right of rescission provides that if a holder of a special warrant who acquires another security of the issuer on exercise of the special warrant as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder’s exercise of its special warrant and the private placement transaction under which the special warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the special warrant, and
- (c) if the holder is a permitted assignee of the interest of the original special warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.”

INSTRUCTION

If the prospectus is qualifying the distribution of securities issued upon the exercise of securities other than special warrants, replace the term “special warrant” with the type of the security being distributed.

10.6 Restricted securities

- 1) If the issuer has outstanding, or proposes to distribute under a prospectus restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of
 - (a) the voting rights attached to the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, and the voting rights, if any, attached to the securities of any other class of securities of the issuer that are the same as or greater than, on a per security basis, those attached to the restricted securities,
 - (b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities that are the subject of the distribution or that will result from the distribution, either

directly or following a conversion, exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted securities,

- (c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the issuer and to speak at the meetings to the same extent that holders of equity securities are entitled, and
 - (d) how the issuer complied with, or the basis upon which it was exempt from, the requirements of Part 12 of the Instrument.
- 2) If holders of restricted securities do not have all of the rights referred to in subsection (1) the detailed description referred to in that subsection must include, in boldface type, a statement of the rights the holders do not have.
 - 3) If the issuer is required to include the disclosure referred to in subsection (1), state the percentage of the aggregate voting rights attached to the issuer's securities that will be represented by restricted securities after effect has been given to the issuance of the securities being offered.

10.7 Other securities

If securities other than equity securities, debt securities, asset-backed securities or derivatives are being distributed, describe fully the material attributes and characteristics of those securities.

10.8 Modification of terms

- 1) Describe provisions about the modification, amendment or variation of any rights attached to the securities being distributed.
- 2) If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

10.9 Ratings (1) If the issuer has asked for and received a credit rating, or if the issuer is aware that it has received any other kind of rating, including a stability rating or a provisional rating, from one or more credit rating organizations for securities of the issuer that are outstanding, or will be outstanding, and the rating or ratings continue in effect, disclose

- (a) each rating received from a credit rating organization;

- (b) for each rating disclosed under paragraph (a), the name of the credit rating organization that has assigned the rating;
 - (c) a definition or description of the category in which each credit rating organization rated the securities and the relative rank of each rating within the organization's overall classification system;
 - (d) an explanation of what the rating addresses and what attributes, if any, of the securities are not addressed by the rating;
 - (e) any factors or considerations identified by the credit rating organization as giving rise to unusual risks associated with the securities;
 - (f) a statement that a credit rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization; and
 - (g) any announcement made by, or any proposed announcement known to the issuer that is to be made by, a credit rating organization to the effect that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this section.
- (2) If payments were, or reasonably will be, made to a credit rating organization that provided a rating described in subsection (1), state that fact and state whether any payments were made to the credit rating organization in respect of any other service provided to the issuer by the credit rating organization during the last two years.

INSTRUCTIONS

There may be factors relating to a security that are not addressed by a credit rating organization when they give a rating. For example, in the case of cash settled derivative instruments, factors in addition to the creditworthiness of the issuer, such as the continued subsistence of the underlying interest or the volatility of the price, value or level of the underlying interest may be reflected in the rating analysis. Rather than being addressed in the rating itself, these factors may be described by a credit rating organization by way of a superscript or other notation to a rating. Any such attributes must be discussed in the disclosure under this section.

A provisional rating received before the issuer's most recently completed financial year is not required to be disclosed under this section.

10.10 Other attributes

- 1) If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.

- 2) If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

INSTRUCTION

This section requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the issuer's discretion, be attached as a schedule to the prospectus.

ITEM 11: Consolidated Capitalization

11.1 Consolidated capitalization

Describe any material change in, and the effect of the material change on, the share and loan capital of the issuer, on a consolidated basis, since the date of the issuer's financial statements for its most recently completed financial period included in the prospectus, including any material change that will result from the issuance of the securities being distributed under the prospectus.

ITEM 12: Options to Purchase Securities

12.1 Options to purchase securities

- 1) For an issuer that is not a reporting issuer in any jurisdiction immediately before filing the prospectus, state, in tabular form, as at a specified date within 30 days before the date of the prospectus, information about options to purchase securities of the issuer, or a subsidiary of the issuer, that are held or will be held upon completion of the distribution by
 - (a) all executive officers and past executive officers of the issuer, as a group, and all directors and past directors of the issuer who are not also executive officers, as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,
 - (b) all executive officers and past executive officers of all subsidiaries of the issuer, as a group, and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary, as a group, excluding, in each case, individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,
 - (c) all other employees and past employees of the issuer as a group,

- (d) all other employees and past employees of subsidiaries of the issuer as a group,
 - (e) all consultants of the issuer as a group, and
 - (f) any other person or company, other than the underwriter(s), naming each person or company.
- 2) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTIONS

- (1) *Describe the options, warrants, or other similar securities stating the material provisions of each class or type of option, including:*
- (a) *the designation and number of the securities under option;*
 - (b) *the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of the options;*
 - (c) *if reasonably ascertainable, the market value of the securities under option on the date of grant;*
 - (d) *if reasonably ascertainable, the market value of the securities under option on the specified date; and*
 - (e) *with respect to options referred to in paragraph (1)(f), the particulars of the grant including the consideration for the grant.*
- (2) *For the purposes of paragraph (1)(f), provide the information required for all options except warrants and special warrants.*

ITEM 13: Prior Sales

13.1 Prior sales

For each class or series of securities of the issuer distributed under the prospectus and for securities that are convertible or exchangeable into those classes or series of securities, state, for the 12-month period before the date of the prospectus,

- (a) the price at which the securities have been issued or are to be issued by the issuer or sold by the selling securityholder,
- (b) the number of securities issued or sold at that price, and
- (c) the date on which the securities were issued or sold.

13.2 Trading price and volume

- 1) For the following securities of the issuer that are traded or quoted for the securities on a Canadian marketplace, identify the marketplace and the price ranges and volume traded or quoted on the Canadian marketplace on which the greatest volume of trading or quotation generally occurs;
 - (a) each class or series of securities of the issuer distributed under the prospectus;
 - (b) securities of the issuer into which those classes or series of securities are convertible or exchangeable.

- 2) For the following securities of the issuer that are not traded or quoted on a Canadian marketplace but are traded or quoted on a foreign marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume or quotation for the securities generally occurs;
 - (a) each class or series of securities of the issuer distributed under the prospectus;
 - (b) securities of the issuer into which those classes or series of securities are convertible or exchangeable.

- 3) Provide the information required under subsections (1) and (2) on a monthly basis for each month or, if applicable, partial months of the 12-month period before the date of the prospectus.

ITEM 14: Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

14.1 Escrowed securities and securities subject to contractual restriction on transfer

State as of a specified date within 30 days before the date of the prospectus, in substantially the following tabular form, the number of securities of each class of securities of the issuer held, to the knowledge of the issuer, in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Designation of class	Number of securities held in escrow or that are	Percentage of class
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	subject to a contractual restriction on transfer	

- 2) In a note to the table disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow or the date the contractual restriction on transfer ends, as applicable.
- 3) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTIONS

- (1) *For purposes of this section, escrow includes securities subject to a pooling agreement.*
- (2) *For the purposes of this section, securities subject to contractual restrictions on transfer as a result of pledges made to lenders are not required to be disclosed.*

ITEM 15: Principal Securityholders and Selling Securityholders

15.1 Principal securityholders and selling securityholders

- 1) Provide the following information for each principal securityholder of the issuer and, if any securities are being distributed for the account of a securityholder, for each selling securityholder:
 - (a) the name;
 - (b) the number or amount of securities owned, controlled or directed of the class being distributed;
 - (c) the number or amount of securities of the class being distributed for the account of the securityholder;
 - (d) the number or amount of securities of the issuer of any class to be owned, controlled or directed after the distribution, and the percentage that number or amount represents of the total outstanding;
 - (e) whether the securities referred to in paragraph (b), (c) or (d) are owned both of record and beneficially, of record only, or beneficially only.
- 2) If securities are being distributed in connection with a restructuring transaction, indicate, to the extent known, the holdings of each person or company

described in paragraph (1)(a) that will exist after effect has been given to the transaction.

- 3) If any of the securities being distributed are being distributed for the account of a securityholder and those securities were purchased by the selling securityholder within the two years preceding the date of the prospectus, state the date the selling securityholder acquired the securities and, if the securities were acquired in the 12 months preceding the date of the prospectus, the cost to the securityholder in the aggregate and on an average cost-per-security basis.
- 4) If, to the knowledge of the issuer or the underwriter of the securities being distributed, more than 10% of any class of voting securities of the issuer is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.
- 5) If, to the knowledge of the issuer or the underwriter of the securities being distributed, any principal securityholder or selling securityholder is an associate or affiliate of another person or company named as a principal securityholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the issuer held by the person or company other than the holding of voting securities of the issuer.
- 6) In addition to the above, include in a footnote to the table the required calculation(s) on a fully-diluted basis.
- 7) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTION

If a company, partnership, trust or other unincorporated entity is a principal securityholder of an issuer, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of that company, trust or other unincorporated entity, or membership in the partnership, as the case may be, is a principal securityholder of that entity.

ITEM 16: Directors and Executive Officers

16.1 Name, occupation and security holding

- 1) Provide information for directors and executive officers of the issuer in accordance with section 10.1 of Form 51-102F2 as at the date of the prospectus.

- 2) If information similar to the information required under subsection (1) is provided for any director or executive officer, who is not serving in such capacity as at the date of the prospectus, clearly indicate this fact and explain whether the issuer believes that this director or executive officer is liable under the prospectus.

16.2 Cease trade orders, bankruptcies, penalties or sanctions

Provide information for directors and executive officers of the issuer in accordance with section 10.2 of Form 51-102F2 as if the references in that section to “date of the AIF” read “date of the prospectus”.

16.3 Conflicts of interest

Disclose particulars of existing or potential material conflicts of interest between the issuer or a subsidiary of the issuer and a director or officer of the issuer or of a subsidiary of the issuer.

16.4 Management of junior issuers

A junior issuer must provide the following information for each member of management:

- (a) state the individual’s name, age, position and responsibilities with the issuer and relevant educational background;
- (b) state whether the individual works full time for the issuer or what proportion of the individual’s time will be devoted to the issuer;
- (c) state whether the individual is an employee or independent contractor of the issuer;
- (d) state the individual’s principal occupations or employment during the five years before the date of the prospectus, disclosing with respect to each organization as of the time such occupation or employment was carried on:
 - (i) its name and principal business;
 - (ii) if applicable, that the organization was an affiliate of the issuer;
 - (iii) positions held by the individual; and
 - (iv) whether it is still carrying on business, if known to the individual;
- (e) describe the individual’s experience in the issuer’s industry;
- (f) state whether the individual has entered into a non-competition or non-disclosure agreement with the issuer.

INSTRUCTION

For purposes of this section, "management" means all directors, officers, employees and contractors whose expertise is critical to the issuer, its subsidiaries and proposed subsidiaries in providing the issuer with a reasonable opportunity to achieve its stated business objectives.

ITEM 17: Executive Compensation

17.1 Disclosure

Include in the prospectus a Statement of Executive Compensation prepared in accordance with Form 51-102F6 or, if the issuer is a venture issuer or an IPO venture issuer, in accordance with Form 51-102F6 or Form 51-102F6V and describe any intention to make any material changes to that compensation.

ITEM 18: Indebtedness of Directors and Executive Officers

18.1 Aggregate indebtedness

Provide information for the issuer in accordance with section 10.1 of Form 51-102F5 as if the reference in that section to "date of the information circular" read "date of the prospectus".

18.2 Indebtedness of directors and executive officers under securities purchase and other programs

- 1) Provide information for the issuer in accordance with section 10.2 of Form 51-102F5 as if the reference in this section to "date of the information circular" read "date of the prospectus".
- 2) Do not disclose the information required under subsection (1) for
 - (a) any indebtedness that has been entirely repaid on or before the date of the prospectus, or
 - (b) routine indebtedness (as defined in paragraph 10.3(c) of Form 51-102F5 as if reference in this paragraph to "the company" read "the issuer").

ITEM 19: Audit Committees and Corporate Governance

19.1 Audit committees

- 1) Include in the prospectus the disclosure for the issuer in accordance with Form 52-110F1, as applicable, if the issuer is neither a venture issuer nor an IPO venture issuer.

- 2) Include in the prospectus the disclosure for the issuer in accordance with Form 52-110F2, as applicable, if the issuer is a venture issuer or an IPO venture issuer.

19.2 Corporate governance

- 1) Include in the prospectus the disclosure in accordance with Form 58-101F1, as applicable, if the issuer is neither a venture issuer nor an IPO venture issuer.
- 2) Include in the prospectus the disclosure in accordance with Form 58-101F2, as applicable, if the issuer is a venture issuer or an IPO venture issuer.

ITEM 20: Plan of Distribution

20.1 Name of underwriters

- 1) If the securities are being distributed by an underwriter, state the name of the underwriter and describe briefly the nature of the underwriter's obligation to take up and pay for the securities.
- 2) Disclose the date by which the underwriter is obligated to purchase the securities.

20.2 Disclosure of conditions to underwriters' obligations

If securities are distributed by an underwriter that has agreed to purchase all of the securities at a specified price and the underwriter's obligations are subject to conditions,

- (a) include a statement in substantially the following form, with the bracketed information completed and with modifications necessary to reflect the terms of the distribution:

"Under an agreement dated [insert date of agreement] between [insert name of issuer or selling securityholder] and [insert name(s) of underwriter(s)], as underwriter[s], [insert name of issuer or selling security shareholder] has agreed to sell and the underwriter[s] [has/have] agreed to purchase on [insert closing date] the securities at a price of [insert offering price], payable in cash to [insert name of issuer or selling securityholder] against delivery. The obligations of the underwriter[s] under the agreement may be terminated at [its/their] discretion on the basis of [describe any "market out", "disaster out", "material change out" or similar provision] and may also be terminated upon the occurrence of certain stated events. The underwriter[s] [is/are], however,

obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement.”, and

- (b) describe any other conditions and indicate any information known that is relevant to whether such conditions will be satisfied.

20.3 Best efforts offering

Outline briefly the plan of distribution of any securities being distributed other than on the basis described in section 20.2.

20.4 Minimum distribution

If securities are being distributed on a best efforts basis and minimum funds are to be raised, state

- (a) the minimum funds to be raised,
- (b) that the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in paragraph (a) has been raised, and
- (c) that if the minimum amount of funds is not raised within the distribution period, the trustee must return the funds to the subscribers without any deductions.

20.5 Determination of price

Disclose the method by which the distribution price has been or will be determined and, if estimates have been provided, explain the process of determining the estimates.

20.6 Stabilization

If the issuer, a selling securityholder or an underwriter knows or has reason to believe that there is an intention to over-allot or that the price of any security may be stabilized to facilitate the distribution of the securities, describe the nature of these transactions, including the anticipated size of any over-allocation position, and explain how the transactions are expected to affect the price of the securities.

20.7 Approvals

If the proceeds of the distribution will be used to substantially fund a material undertaking that would constitute a material departure from the business or operations of the issuer and the issuer has not obtained all material licences, registrations and approvals necessary for the stated principal use of proceeds, include a statement that

- (a) the issuer will appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until all material licences, registrations and approvals necessary for the stated principal use of proceeds have been obtained, and
- (b) if all material licences, registrations and approvals necessary for the operation of the material undertaking have not been obtained within 90 days from the date of receipt of the final prospectus, the trustee will return the funds to subscribers.

20.8 Reduced price distributions

If the underwriter may decrease the offering price after the underwriter has made a reasonable effort to sell all of the securities at the initial offering price disclosed in the prospectus in accordance with the procedures permitted by the Instrument, disclose this fact and that the compensation realised by the underwriter will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriter to the issuer or selling securityholder.

20.9 Listing application

If application has been made to list or quote the securities being distributed, include a statement, in substantially the following form, with bracketed information completed:

“The issuer has applied to [list/quote] the securities distributed under this prospectus on [name of exchange or other market]. [Listing/Quotation] will be subject to the issuer fulfilling all the listing requirements of [name of exchange or other market].”

20.10 Conditional listing approval

If application has been made to list or quote the securities being distributed on an exchange or marketplace and conditional listing approval has been received, include a statement, in substantially the following form, with the bracketed information completed:

“[name of exchange or marketplace] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of issuer]’s fulfilling all of the requirements of the [name of exchange or marketplace] on or before [date], [including distribution of these securities to a minimum number of public securityholders].”

20.11 IPO venture issuers

If the issuer has complied with the requirements of the Instrument as an IPO venture issuer, include a statement, in substantially the following form, with bracketed information completed:

“As at the date of the prospectus, [name of issuer] does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.)”

20.12 Constraints

If there are constraints imposed on the ownership of securities of the issuer to ensure that the issuer has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities of the issuer will be monitored and maintained.

20.13 Special warrants acquired by underwriters or agents

Disclose the number and dollar value of any special warrants acquired by any underwriter or agent and the percentage of the distribution represented by those special warrants.

ITEM 21: Risk Factors

21.1 Risk factors

- 1) Disclose risk factors relating to the issuer and its business, such as cash flow and liquidity problems, if any, experience of management, the general risks inherent in the business carried on by the issuer, environmental and health risks, reliance on key personnel, regulatory constraints, economic or political conditions and financial history and any other matter that would be likely to influence an investor's decision to purchase securities of the issuer.
- 2) If there is a risk that securityholders of the issuer may become liable to make an additional contribution beyond the price of the security, disclose that risk.
- 3) Describe any risk factors material to the issuer that a reasonable investor would consider relevant to an investment in the securities being distributed and that are not otherwise described under subsection (1) or (2).

INSTRUCTIONS

- (1) *Disclose risks in the order of seriousness from the most serious to the least serious.*
- (2) *A risk factor must not be de-emphasized by including excessive caveats or conditions.*

ITEM 22: Promoters

22.1 Promoters

- 1) For a person or company that is, or has been within the two years immediately preceding the date of the prospectus, a promoter of the issuer or subsidiary of the issuer, state
 - (a) the person or company's name,
 - (b) the number and percentage of each class of voting securities and equity securities of the issuer or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the person or company,
 - (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the issuer or from a subsidiary of the issuer, and the nature and amount of any assets, services or other consideration received or to be received by the issuer or a subsidiary of the issuer in return, and
 - (d) for an asset acquired within the two years before the date of the preliminary prospectus, or to be acquired, by the issuer or by a subsidiary of the issuer from a promoter,
 - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,
 - (ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the issuer or the promoter, or an affiliate of the issuer or the promoter, and
 - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.
- 2) If a promoter referred to in subsection (1) is, as at the date of the preliminary prospectus, or was within 10 years before the date of the preliminary prospectus, a director, chief executive officer, or chief financial officer of any person or company, that

- (a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer,

state the fact and describe the basis on which the order was made and whether the order is still in effect.

3) For the purposes of subsection (2), "order" means:

- (a) a cease trade order,
- (b) an order similar to a cease trade order, or
- (c) an order that denied the relevant person or company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

4) If a promoter referred to in subsection (1)

- (a) is, as at the date of the preliminary prospectus, or has been within the 10 years before the date of the preliminary prospectus, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact, or
- (b) has, within the 10 years before the date of the preliminary prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.

5) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in subsection (1) has been subject to

- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority, or
 - (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.
- 6) Despite subsection (5), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered important to a reasonable investor in making an investment decision.

INSTRUCTIONS

- (1) *The disclosure required by subsections (2), (4) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (4), and (5).*
- (2) *A management cease trade order which applies to a promoter referred to in subsection (1) is an "order" for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*
- (3) *For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a "penalty or sanction".*
- (4) *The disclosure in paragraph (2)(a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The issuer does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

ITEM 23: Legal Proceedings and Regulatory Actions

23.1 Legal proceedings

- 1) Describe any legal proceedings the issuer is or was a party to, or that any of its property is or was the subject of, since the beginning of the most recently completed financial year for which financial statements of the issuer are included in the prospectus.
- 2) Describe any such legal proceedings the issuer knows to be contemplated.
- 3) For each proceeding described in subsections (1) and (2), include the name of the court or agency, the date instituted, the principal parties to the proceeding, the nature of the claim, the amount claimed, if any, whether the proceeding is being contested, and the present status of the proceeding.

INSTRUCTION

Information with respect to any proceeding that involves a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10% of the current assets of the issuer may be omitted. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, include the amount involved in the other proceedings in computing the percentage.

23.2 Regulatory actions

Describe any

- (a) penalties or sanctions imposed against the issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of the prospectus,
- (b) any other penalties or sanctions imposed by a court or regulatory body against the issuer necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed, and
- (c) settlement agreements the issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of the prospectus.

ITEM 24: Interests of Management and Others in Material Transactions

24.1 Interests of management and others in material transactions

Provide information for the issuer for this section in accordance with section 13.1 of Form 51-102F2 as if the reference in that section to “within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect your company” read “within the three years before the date of the prospectus that has materially affected or is reasonably expected to materially affect the issuer or a subsidiary of the issuer”.

24.2 Underwriting discounts

Disclose any material underwriting discounts or commissions upon the sale of securities by the issuer if any of the persons or companies listed in section 13.1 of Form 51-102F2 were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.

ITEM 25: Relationship Between Issuer or Selling Securityholder and Underwriter

25.1 Relationship between issuer or selling securityholder and underwriter

- 1) If the issuer or selling securityholder is a connected issuer or related issuer of an underwriter of the distribution, or if the issuer or selling securityholder is also an underwriter of the distribution, comply with the requirements of NI 33-105.
- 2) For the purposes of subsection (1), "connected issuer" and "related issuer" have the same meanings as in NI 33-105.

ITEM 26: Auditors, Transfer Agents and Registrars

26.1 Auditors

State the name and address of the auditor of the issuer.

26.1.1 Auditor that was not a participating audit firm

- (1) If the auditor referred to in section 26.1 was not a participating audit firm, as defined in NI 52-108, as at the date of the most recent auditor's report on financial statements included in the prospectus, include a statement in substantially the following form:

"[Audit Firm A] audited the financial statements of [Entity B] for the year ended [state the period of the most recent financial statements included in the prospectus] and issued an auditor's report dated [state the date of the auditor's report for the relevant financial statements]. As at [state the date of the auditor's report for the relevant financial statements], [Audit Firm A] was not required by securities legislation to enter, and had not entered, into a participation agreement with the Canadian Public Accountability Board. An audit firm that enters into a participation agreement is subject to the oversight program of the Canadian Public Accountability Board."

- (2) If an auditor of the financial statements required by Item 32 was not a participating audit firm, as defined in NI 52-108, as at the date of the most recent auditor's report issued by that auditor on financial statements included in the prospectus, include a statement in substantially the following form:

"[Audit Firm C] audited the financial statements of [Entity D] for the year ended [state the period of the most recent financial statements, if any, included in the prospectus under Item 32] and issued an auditor's report dated [state the date of the auditor's

report for the relevant financial statements]. As at [state the date of the auditor's report for the relevant financial statements], [Audit Firm C] was not required by securities legislation to enter, and had not entered, into a participation agreement with the Canadian Public Accountability Board. An audit firm that enters into a participation agreement is subject to the oversight program of the Canadian Public Accountability Board.

26.2 Transfer agents, registrars, trustees or other agents

For each class of securities, state the name of any transfer agent, registrar, trustee, or other agent appointed by the issuer to maintain the securities register and the register of transfers for such securities and indicate the location (by municipality) of each of the offices of the issuer or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

ITEM 27: Material Contracts

27.1 Material contracts

Give particulars of any material contract

- (a) required to be filed under section 9.3 of the Instrument, or
- (b) that would be required to be filed under section 9.3 of the Instrument but for the fact that it was previously filed.

INSTRUCTIONS

- (1) *Set out a complete list of all contracts for which particulars must be given under this section, indicating those that are disclosed elsewhere in the prospectus. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the prospectus.*
- (2) *Particulars of contracts must include the dates of, parties to, consideration provided for in, and general nature and key terms of, the contracts.*

ITEM 28: Experts

28.1 Names of experts

Name each person or company

- (a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or an amendment to the prospectus, and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

28.2 Interest of experts

For each person or company referred to in section 28.1, provide the disclosure in accordance with section 16.2 of Form 51-102F2, as of the date of the prospectus, as if that person or company were a person or company referred to in section 16.1 of Form 51-102F2.

ITEM 29: Other Material Facts

29.1 Other material facts

Give particulars of any material facts about the securities being distributed that are not disclosed under any other Items and are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

ITEM 30: Rights of Withdrawal and Rescission

30.1 General

Include a statement in substantially the following form, with the bracketed information completed:

“Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. [In several of the provinces/provinces and territories,] [T/t]he securities legislation further provides a purchaser with remedies for rescission [or[, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission[, revisions of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province [or territory]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province [or territory] for the particulars of these rights or consult with a legal adviser.”

30.2 Non-fixed price offerings

In the case of a non-fixed price offering, replace, if applicable in the jurisdiction in which the prospectus is filed, the second sentence in the legend in section 30.1 with a statement in substantially the following form:

“This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed.”

Convertible, exchangeable or exercisable securities

30.3 In the case of an offering of convertible, exchangeable or exercisable securities in which additional amounts are payable or may become payable upon conversion, exchange or exercise, provide a statement in the following form:

“In an offering of [state name of convertible, exchangeable or exercisable securities], investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial [and territorial] securities legislation, to the price at which the [state name of convertible, exchangeable or exercisable securities] is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces [and territories], if the purchaser pays additional amounts upon [conversion, exchange or exercise] of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces [and territories]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province [or territory] for the particulars of this right of action for damages or consult with a legal adviser.”

ITEM 31: List of Exemptions from Instrument

31.1 List of exemptions from Instrument

List all exemptions from the provisions of the Instrument, including this Form, granted to the issuer applicable to the distribution or the prospectus, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 19.3 of the Instrument.

ITEM 32: Financial Statement Disclosure for Issuers

32.1 Interpretation of “issuer”

- (1) Subject to subsection(2), the financial statements of an issuer required under this Item to be included in a prospectus must include

- (a) the financial statements of any predecessor entity that formed, or will form, the basis of the business of the issuer, even though the predecessor entity is, or may have been, a different legal entity, if the issuer has not existed for three years,
 - (b) the financial statements of a business or businesses acquired by the issuer within three years before the date of the prospectus or proposed to be acquired, if a reasonable investor reading the prospectus would regard the primary business of the issuer to be the business or businesses acquired, or proposed to be acquired, by the issuer, and
 - (c) the restated combined financial statements of the issuer and any other entity with which the issuer completed a transaction within three years before the date of the prospectus or proposes to complete a transaction, if the issuer accounted for or will account for the transaction as a combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not temporary.
- (2) An issuer is not required to include the financial statements for an acquisition to which paragraph (1)(a) or (b) applies if
- (a) the issuer was a reporting issuer in any jurisdiction of Canada
 - (i) on the date of the acquisition, in the case of a completed acquisition; or
 - (ii) immediately before the filing of the prospectus, in the case of a proposed acquisition;
 - (b) the issuer's principal asset before the acquisition is not cash, cash equivalents, or its exchange listing; and
 - (c) the issuer provides disclosure in respect of the proposed or completed acquisition in accordance with Item 35.

32.2 Annual financial statements

- 1) Subject to section 32.4, include annual financial statements of the issuer consisting of
- (a) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for each of the three most recently completed financial years ended more than
 - (i) 90 days before the date of the prospectus, or

- (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,
 - (b) a statement of financial position as at the end of the two most recently completed financial years described in paragraph (a),
 - (c) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that
 - (i) discloses in its annual financial statements an unreserved statement of compliance with IFRS, and
 - (ii) does any of the following
 - (A) applies an accounting policy retrospectively in its annual financial statements,
 - (B) makes a retrospective restatement of items in its annual financial statements, or
 - (C) reclassifies items in its annual financial statements,
 - (d) in the case of an issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS, and
 - (e) notes to the annual financial statements.
- 1.1) If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (1).
 - 2) If the issuer has not completed three financial years, include the financial statements described under subsection (1) for each completed financial year ended more than
 - (a) 90 days before the date of the prospectus, or
 - (b) 120 days before the date of the prospectus, if the issuer is a venture issuer.
 - 3) If the issuer has not included in the prospectus financial statements for a completed financial year, include the financial statements described under subsection (1) or (2) for a period from the date the issuer was formed to a date not more than 90 days before the date of the prospectus.
 - 4) If an issuer changed its financial year end during any of the financial years referred to in this section and the transition year is less than nine months, the transition year is deemed not to be a financial year for the purposes of the

requirement to provide financial statements for a specified number of financial years in this section.

- 5) Despite subsection (4), all financial statements of the issuer for a transition year referred to in subsection (4) must be included in the prospectus.
- 6) Subject to section 32.4, if financial statements of any predecessor entity, business or businesses acquired by the issuer, or of any other entity are required under this section, then include
 - (a) statements of comprehensive income, statements of changes in equity, and statements of cash flow for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's statements of comprehensive income, statements of changes in equity, and statements of cash flow are included in the prospectus, the results of the entities or businesses, either separately or on a consolidated basis, total three years,
 - (b) statements of financial position for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's statements of financial position are included in the prospectus, the financial position of the entities or businesses, either separately or on a consolidated basis, total two years,
 - (c) if the entities or businesses have not completed three financial years, the financial statements described under paragraphs (a) and (b) for each completed financial year of the entities or businesses for which the issuer's financial statements in the prospectus do not include the financial statements of the entities or businesses, either separately or on a consolidated basis, and ended more than
 - (i) 90 days before the date of the prospectus, or
 - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,
 - (d) if an entity's or business's first IFRS financial statements are included under paragraphs (a), (b) or (c), the opening IFRS statement of financial position at the date of transition to IFRS, and
 - (e) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that
 - (i) discloses in its annual financial statements an unreserved statement of compliance with IFRS, and

- (ii) does any of the following
 - (A) applies an accounting policy retrospectively in its financial statements,
 - (B) makes a retrospective restatement of items in its financial statements, or
- (C) reclassifies items in its financial statements.

32.3 Interim financial report

- 1) Include a comparative interim financial report of the issuer for the most recent interim period, if any, ended
 - (a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus, and
 - (b) more than
 - (i) 45 days before the date of the prospectus, or
 - (ii) 60 days before the date of the prospectus if the issuer is a venture issuer.
- 2) The interim financial report referred to in subsection (1) must include
 - (a) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year, if any,
 - (b) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any,
 - (c) for interim periods other than the first interim period in an issuer's financial year, a statement of comprehensive income for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the immediately preceding financial year, if any,
 - (d) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that

- (i) discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and
 - (ii) does any of the following
 - (A) applies an accounting policy retrospectively in its interim financial report,
 - (B) makes a retrospective restatement of items in its interim financial report, or
 - (C) reclassifies items in its interim financial report,
 - (e) in the case of the first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS, and
 - (f) notes to the interim financial report.
- 3) If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (2).
- 4) If the issuer is required to include under subsection 32.3(1), a comparative interim financial report of the issuer for the second or third interim period in the year of adopting IFRS, include
 - (a) the issuer's first interim financial report in the year of adopting IFRS, or
 - (b) both
 - (i) the opening IFRS statement of financial position at the date of transition to IFRS, and
 - (ii) the annual and date of transition to IFRS reconciliations required by IFRS 1 *First-time Adoption of International Financial Reporting Standards* to explain how the transition from previous GAAP to IFRS affected the issuer's reported financial position, financial performance and cash flows.
- 5) Subsection (4) does not apply to an issuer that was a reporting issuer in at least one jurisdiction immediately before filing the prospectus.

32.4 Exceptions to financial statement requirements

- (1) Despite section 32.2, an issuer is not required to include the following financial statements in a prospectus

- (a) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, if the issuer is
 - (i) an IPO venture issuer, or
 - (ii) a reporting issuer in at least one jurisdiction immediately before filing the prospectus,
- (b) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if
 - (i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus, and
 - (ii) the issuer includes financial statements for a financial year ended less than
 - (A) 90 days before the date of the prospectus, or
 - (B) 120 days before the date of the prospectus, if the issuer is a venture issuer,
- (c) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the statement of financial position for the second most recently completed financial year, if the issuer includes financial statements for a financial year ended less than 90 days before the date of the prospectus,
- (d) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if
 - (i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus,
 - (ii) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2,
 - (iii) the business of the issuer is not seasonal, and

- (iv) none of the financial statements required under section 32.2 are for a financial year that is less than nine months,
- (e) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the statement of financial position for the second most recently completed financial year, if
 - (i) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2,
 - (ii) the business of the issuer is not seasonal, and
 - (iii) none of the financial statements required under section 32.2 are for a financial year that is less than nine months, or
- (f) the separate financial statements of the issuer and the other entity for periods prior to the date of the transaction, if the restated combined financial statements of the issuer and the other entity are included in the prospectus under paragraph 32.1(c).
- (2) Paragraphs (1)(a), (b) and (d) do not apply to an issuer
 - (a) whose principal asset is cash, cash equivalents or its exchange listing; or
 - (b) in respect of financial statements of a reverse takeover acquirer for a completed or proposed transaction by the issuer that was or will be accounted for as a reverse takeover.

32.5 Exceptions to audit requirement

The audit requirement in section 4.2 of the Instrument does not apply to the following financial statements

- (a) any financial statements for the second and third most recently completed financial years required under section 32.2, if
 - (i) those financial statements were previously included in a final prospectus without an auditor's report pursuant to an exemption under applicable securities legislation, and
 - (ii) an auditor has not issued an auditor's report on those financial statements,

- (b) any financial statements for the second and third most recently completed financial years required under section 32.2, if
 - (i) the issuer is a junior issuer
 - (i.1) an auditor has not issued an auditor's report on those financial statements, and
 - (ii) the financial statements for the most recently completed financial year required under section 32.2 is not less than 12 months in length, or
- (c) any interim financial report required under section 32.3.

32.6 Additional financial statements or financial information filed or released

- 1) If the issuer files financial statements for a more recent period than required under section 32.2 or 32.3 before the prospectus is filed, the issuer must include in the prospectus those more recent financial statements.
- 2) If historical financial information about the issuer is publicly disseminated by, or on behalf of, the issuer through news release or otherwise for a more recent period than required under section 32.2, the issuer must include the content of the news release or public communication in the prospectus.

Pro forma financial statements for an acquisition

32.7(1) An issuer must include in the prospectus the pro forma financial information set out in subsection (2) if

- (a) the issuer has completed or proposes an acquisition of a business for which financial statement disclosure is required under section 32.1;
 - (b) less than nine months of the acquired business operations have been reflected in the issuer's most recent audited financial statements included in the prospectus; and
 - (c) the inclusion of the pro forma financial statements is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.
- (2)** For the purposes of subsection (1), include the following:
- (a) a pro forma statement of financial position of the issuer, as at the date of the issuer's most recent statement of financial position included in the prospectus, that gives effect, as if it had taken

place as at the date of the pro forma statement of financial position, to the acquisition that has been completed, or is expected to be completed, but is not reflected in the issuer's most recent statement of financial position for an annual or interim period;

(b) a pro forma income statement of the issuer that gives effect to the acquisition completed, or expected to be completed, since the beginning of the issuer's most recently completed financial year for which it has included financial statements in its prospectus, as if it had taken place at the beginning of that financial year, for each of the following periods:

(i) the most recently completed financial year for which the issuer has included financial statements in its prospectus; and

(ii) the interim period for which the issuer has included an interim financial report in its prospectus, that started after the financial year referred to in subparagraph (i) and ended

(A) in the case of a completed acquisition, immediately before the acquisition date or, in the issuer's discretion, after the acquisition date;

(B) in the case of a proposed acquisition, immediately before the date of the filing of the prospectus, as if the acquisition had been completed before the filing of the prospectus and the acquisition date were the date of the prospectus; and

(c) pro forma earnings per share based on the pro forma financial statements referred to in paragraph (b).

(3) If an issuer is required to include pro forma financial statements in its prospectus under subsection (1),

(a) in the case where the pro forma financial statements give effect to more than one acquisition, the issuer must identify in the pro forma financial statements each acquisition,

(b) the issuer must include in the pro forma financial statements

(i) adjustments attributable to the acquisition for which there are firm commitments and for which the complete financial effects are objectively determinable;

- (ii) adjustments to conform amounts for the business to the issuer's accounting policies; and
 - (iii) a description of the underlying assumptions on which the pro forma financial statements are prepared, cross-referenced to each related pro forma adjustment;
- (c) in the case where the financial year-end of the business differs from the issuer's year-end by more than 93 days, for the purpose of preparing the pro forma income statement of the issuer's most recently completed financial year, the issuer must construct an income statement of the business for a period of 12 consecutive months ending no more than 93 days before or after the issuer's year-end, by adding the results for a subsequent interim period to a completed financial year of the business and deducting the comparable interim results for the immediately preceding year;
- (d) in the case where a constructed income statement is required under paragraph (c), the pro forma financial statements must disclose the period covered by the constructed income statement on the face of the pro forma financial statements and must include a note stating that the financial statements of the business used to prepare the pro forma financial statements were prepared for the purpose of the pro forma financial statements and do not conform with the financial statements for the business included elsewhere in the prospectus;
- (e) in the case where an issuer is required to prepare a pro forma income statement for an interim period required by paragraph (2)(b), and the pro forma income statement for the most recently completed financial year includes results of the business which are also included in the pro forma income statement for the interim period, the issuer must disclose in a note to the pro forma financial statements the revenue, expenses, and profit or loss from continuing operations included in each pro forma income statement for the overlapping period; and
- (f) a constructed period referred to in paragraph (c) does not have to be audited.

Pro forma financial statements for multiple acquisitions

32.8 Despite subsection 32.7(1), an issuer is not required to include in its prospectus the pro forma financial statements otherwise required for each acquisition if the issuer includes in its prospectus one set of pro forma financial statements that

- (a) reflects the results of each acquisition since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus, and
- (b) is prepared as if each acquisition had occurred at the beginning of the most recently completed financial year of the issuer for which financial statements of the issuer are included in the prospectus.

Exemption from financial statement disclosure for oil & gas acquisitions

- 32.9 (1)** In the case where sections 32.2, 32.3 and 32.7 apply to a completed or proposed acquisition by operation of section 32.1, those sections do not apply if
- (a) the acquisition is an acquisition of a business which is an interest in an oil and gas property;
 - (b) the acquisition is not an acquisition of securities of another issuer, unless the vendor transferred the business referenced in paragraph (1)(a) to the other issuer and that other issuer
 - (i) was created for the sole purpose of facilitating the acquisition; and
 - (ii) other than assets or operations relating to the transferred business, has no
 - (A) substantial assets; or
 - (B) operating history;
 - (c) the issuer is unable to provide the financial statements in respect of the acquisition otherwise required under sections 32.2 and 32.3 because those financial statements do not exist or because the issuer does not have access to those financial statements;
 - (d) the acquisition does not constitute a reverse takeover;
 - (e) subject to subsections (2) and (3), in respect of the business for each of the financial periods for which financial statements would, but for this section, be required under sections 32.2 and 32.3, the prospectus includes
 - (i) an operating statement for the business prepared in accordance with section 3.17 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

- (ii) a pro forma operating statement of the issuer that gives effect to the acquisition completed or to be completed since the beginning of the issuer's most recently completed financial year for which financial statements are required to be included in the prospectus, as if the acquisition had taken place at the beginning of that financial year, for each of the financial periods referred to in paragraph 32.7(2)(b), unless
 - (A) more than nine months of the acquired business operations have been reflected in the issuer's most recent audited financial statements included in the prospectus; or
 - (B) the inclusion of the pro forma financial statements is not necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed;
- (iii) a description of the property or properties and the interest acquired by the issuer; and
- (iv) disclosure of the annual oil and gas production volumes from the business;
- (f) the operating statement for the three most recently completed financial years has been audited;
- (g) the prospectus discloses
 - (i) the estimated reserves and related future net revenue attributable to the business, the material assumptions used in preparing the estimates and the identity and relationship to the issuer or to the vendor of the person who prepared the estimates; and
 - (ii) the estimated oil and gas production volumes from the business for the first year reflected in the estimated disclosure under subparagraph (i).
- (2)** Subparagraphs (1)(e)(i), (ii) and (iv) do not apply if production, gross sales, royalties, production costs and operating income were nil, or are reasonably expected to be nil for the business for each financial period and the prospectus discloses that fact.
- (3)** Paragraphs (1)(e) and (f) do not apply in respect of the third most recently completed financial year if the issuer has completed the acquisition and has included in the prospectus the following:

- (a) information in accordance with Form 51-101F1 as at a date commencing on or after the acquisition date and within 6 months of the date of the preliminary prospectus;
- (b) a report in the form of Form 51-101F2 on the reserves data included in the disclosure required under paragraph (a);
- (c) a report in the form of Form 51-101F3 that refers to the information disclosed under paragraph (a).”.

ITEM 33: Credit Supporter Disclosure, Including Financial Statements

33.1 Credit supporter disclosure, including financial statements

If a credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed, include statements by the credit supporter providing disclosure about the credit supporter that would be required under Items 4, 5, 8, 9, 16, 21, 23, 25, 26, and 32 if the credit supporter were the issuer of the securities to be distributed and such other information about the credit supporter as is necessary to provide full, true and plain disclosure of all material facts relating to the securities to be distributed.

ITEM 34: Exemptions for Certain Issues of Guaranteed Securities

34.1 Definitions and interpretation

- 1) In this Item
 - (a) the impact of subsidiaries, on a combined basis, on the financial statements of the parent entity is “minor” if each item of the summary financial information of the subsidiaries, on a combined basis, represents less than three percent of the total consolidated amounts,
 - (b) a parent entity has “limited independent operations” if each item of its summary financial information represents less than three percent of the total consolidated amounts,
 - (c) a subsidiary is a “finance subsidiary” if it has minimal assets, operations, revenue or cash flows other than those related to the issuance, administration and repayment of the security being distributed and any other securities guaranteed by its parent entity,
 - (d) “parent credit supporter” means a credit supporter of which the issuer is a subsidiary,

- (e) "parent entity" means a parent credit supporter for the purposes of sections 34.2 and 34.3 and an issuer for the purpose of section 34.4,
- (f) "subsidiary credit supporter" means a credit supporter that is a subsidiary of the parent credit supporter, and
- (g) "summary financial information" includes the following line items:
 - (i) revenue;
 - (ii) profit or loss from continuing operations attributable to owners of the parent;
 - (iii) profit or loss attributable to owners of the parent; and
 - (iv) unless the accounting principles used to prepare the financial statements of the entity permits the preparation of the entity's statement of financial position without classifying assets and liabilities between current and non-current and the entity provides alternative meaningful financial information which is more appropriate to the industry,
 - (A) current assets;
 - (B) non-current assets;
 - (C) current liabilities; and
 - (D) non-current liabilities.

INSTRUCTION

See section 1.1 of the Instrument for the definitions of "profit or loss attributable to owners of the parent" and "profit or loss from continuing operations attributable to owners of the parent".

- 2) For the purposes of this Item, consolidating summary financial information must be prepared on the following basis
 - (a) an entity's annual or interim summary financial information must be derived from the entity's financial information underlying the corresponding consolidated financial statements of the parent entity included in the prospectus,

- (b) the parent entity column must account for investments in all subsidiaries under the equity method, and
- (c) all subsidiary entity columns must account for investments in non-credit supporter subsidiaries under the equity method.

34.2 Issuer is wholly-owned subsidiary of parent credit supporter

An issuer is not required to include the issuer disclosure required by Items 4, 5, 8, 9, 21, 23, 25, 26, and 32, if

- (a) a parent credit supporter has provided full and unconditional credit support for the securities being distributed,
- (b) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter,
- (c) the parent credit supporter is the beneficial owner of all the issued and outstanding voting securities of the issuer,
- (d) no other subsidiary of the parent credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed, and
- (e) the issuer includes in the prospectus
 - (i) a statement that the financial results of the issuer are included in the consolidated financial results of the parent credit supporter, if
 - (A) the issuer is a finance subsidiary, and
 - (B) the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer, on the consolidated financial statements of the parent credit supporter is minor, or
 - (ii) for the periods covered by the parent credit supporter's consolidated interim financial report and consolidated annual financial statements included in the prospectus under Item 33, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:
 - (A) the parent credit supporter;
 - (B) the issuer;

- (C) any other subsidiaries of the parent credit supporter on a combined basis;
- (D) consolidating adjustments;
- (E) the total consolidated amounts.

34.3 Issuer is wholly-owned subsidiary of, and one or more subsidiary credit supporters controlled by, parent credit supporter

- 1) An issuer is not required to include the issuer disclosure required by Items 4, 5, 8, 9, 21, 23, 25, 26, and 32, or the credit supporter disclosure of one or more subsidiary credit supporters required by Item 33, if
 - (a) a parent credit supporter and one or more subsidiary credit supporters have each provided full and unconditional credit support for the securities being distributed,
 - (b) the guarantees or alternative credit supports are joint and several,
 - (c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter,
 - (d) the parent credit supporter is the beneficial owner of all the issued and outstanding voting securities of the issuer,
 - (e) the parent credit supporter controls each subsidiary credit supporter and the parent credit support has consolidated the financial statements of each subsidiary credit supporter into the parent credit supporter's financial statements that are included in the prospectus, and
 - (f) the issuer includes in the prospectus, for the periods covered by the parent credit supporter's financial statements included in the prospectus under Item 33, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:
 - (i) the parent credit supporter;
 - (ii) the issuer;
 - (iii) each subsidiary credit supporter on a combined basis;
 - (iv) any other subsidiaries of the parent credit supporter on a combined basis;

- (v) consolidating adjustments;
 - (vi) the total consolidated amounts.
- 2) Despite paragraph (1)(f), the information set out in a column in accordance with
- (a) subparagraph (1)(f)(iv) may be combined with the information set out in accordance with any of the other columns in paragraph (1)(f) if the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer and all subsidiary credit supporters, on the consolidated financial statements of the parent credit supporter is minor, and
 - (b) subparagraph (1)(f)(ii), may be combined with the information set out in accordance with any of the other columns in paragraph (1)(f) if the issuer is a finance subsidiary.

34.4 One or more credit supporters controlled by issuer

An issuer is not required to include the credit supporter disclosure for one or more credit supporters required by Item 33, if

- (a) one or more credit supporters have each provided full and unconditional credit support for the securities being distributed,
- (b) there is more than one credit supporter, the guarantee or alternative credit supports are joint and several,
- (c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the issuer,
- (d) the issuer controls each credit supporter and the issuer has consolidated the financial statements of each credit supporter into the issuer's financial statements that are included in the prospectus, and
- (e) the issuer includes in the prospectus
 - (i) a statement that the financial results of the credit supporter(s) are included in the consolidated financial results of the issuer, if
 - (A) the issuer has limited independent operations, and
 - (B) the impact of any subsidiaries of the issuer on a combined basis, excluding the credit supporter(s) but including any

subsidiaries of the credit supporter(s) that are not themselves credit supporters, on the consolidated financial statements of the issuer is minor, or

- (ii) for the periods covered by the issuer's financial statements included in the prospectus under Item 32, consolidating summary financial information for the issuer, presented with a separate column for each of the following:
 - (A) the issuer;
 - (B) the credit supporters on a combined basis;
 - (C) any other subsidiaries of the issuer on a combined basis;
 - (D) consolidating adjustments;
 - (E) the total consolidated amounts.

ITEM 35: Significant Acquisitions

Application and definitions

35.1(1) This Item does not apply to

- (a) a completed or proposed transaction by the issuer that was or will be a reverse takeover or a transaction that is a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high; or
- (b) a completed or proposed acquisition
 - (i) by the issuer if
 - (A) the issuer's principal asset before the acquisition is cash, cash equivalents or its exchange listing; or
 - (B) the issuer was not a reporting issuer in any jurisdiction
 - (I) on the acquisition date, in the case of a completed acquisition; and
 - (II) immediately before filing the prospectus, in the case of a proposed acquisition; and
 - (ii) to which Item 32 applies by operation of section 32.1.

- 2) repealed
- 3) The audit requirement in section 4.2 of the Instrument does not apply to any financial statements or other information included in the prospectus under this Item, other than the financial statements or other information for the most recently completed financial year of a business or related businesses acquired, or proposed to be acquired, by the issuer.
- 4) In this Item, “**significant acquisition**” means an acquisition of a business or related businesses that,
 - (a) if the issuer was a reporting issuer in at least one jurisdiction on the acquisition date, is determined to be a significant acquisition under section 8.3 of NI 51-102, or
 - (b) if the issuer was not a reporting issuer in any jurisdiction on the acquisition date, would be determined to be a significant acquisition under section 8.3 of NI 51-102, as if
 - (i) the issuer was a reporting issuer on the acquisition date,
 - (ii) the references to a “venture issuer” were read as an “IPO venture issuer” if the issuer is an IPO venture issuer,
 - (iii) for the purposes of the optional tests, the issuer used its financial statements for the most recently completed interim period or financial year that is included in the prospectus,
 - (iv) for the purposes of the optional profit or loss test, the most recently completed financial year of the business or related businesses were the financial year of the business ended before the date of the prospectus, and the 12 months ended on the last day of the most recently completed interim period of the business or related businesses were the 12 months ended on the last day of the most recently completed interim period before the date of the prospectus,
 - (v) subsection 8.3(11.1) of NI 51-102 did not apply,
 - (vi) references to “audited annual statements filed” meant “audited annual financial statements included in the long form prospectus”, and
 - (vii) in subsection 8.3(15) of NI 51-102, the reference to “been required to file, and has not filed,” meant “been required to include, and has not included, in the long form prospectus”.

35.2 Completed acquisitions for which issuer has filed business acquisition report

If an issuer completed an acquisition of a business or related businesses since the beginning of its most recently completed financial year for which financial statements are included in the prospectus, and it has filed a business acquisition report under Part 8 of NI 51-102 for the acquisition, include all of the disclosure included in, or incorporated by reference into, that business acquisition report.

35.3 Completed acquisitions for which issuer has not filed business acquisition report because issuer was not reporting issuer on acquisition date

- 1) An issuer must include the disclosure required under subsection (2), if
 - (a) the issuer completed an acquisition of a business or related businesses since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus,
 - (b) the issuer was not a reporting issuer in any jurisdiction on the acquisition date,
 - (c) the acquisition is a significant acquisition, and
 - (d) the acquisition date was more than
 - (i) 90 days before the date of the prospectus, if the financial year of the acquired business ended 45 days or less before the acquisition, or
 - (ii) 75 days before the date of the prospectus.
- 2) For an acquisition to which subsection (1) applies, include all the disclosure that would be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of NI 51-102, as if
 - (a) the issuer was a reporting issuer in at least one jurisdiction on the acquisition date,
 - (b) the business acquisition report was filed as at the date of the prospectus,
 - (c) the issuer was a venture issuer at the acquisition date, if the issuer is an IPO venture issuer,
 - (d) subsections 8.4(4) and 8.4(6) of NI 51-102 did not apply, and
 - (e) references to financial statements filed or required to be filed meant financial statements included in the prospectus.

35.4 Financial Performance consolidated in financial statements of issuer

Despite section 35.2 and subsection 35.3(1), an issuer may omit the financial statements or other information of a business required to be included in the prospectus, if at least nine months of the acquired business or related businesses financial performance have been reflected in the issuer's most recent audited financial statements included in the prospectus.

35.5 Recently completed acquisitions

- 1) Include the information required under subsection (2) for any significant acquisition completed by the issuer
 - (a) since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus, and
 - (b) for which the issuer has not included any disclosure under section 35.2 or subsection 35.3(2).
- 2) For a significant acquisition to which subsection (1) applies, include the following
 - (a) the information required by sections 2.1 through 2.6 of Form 51-102F4, and
 - (b) the financial statements of or other information about the acquisition under subsection (3) for the acquired business or related businesses, if
 - (i) the issuer was not a reporting issuer in any jurisdiction immediately before filing the prospectus, or
 - (ii) the issuer was a reporting issuer in at least one jurisdiction immediately before filing the prospectus, and the inclusion of the financial statements or other information is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.
- 3) The requirement to include financial statements or other information under paragraph (2)(b) must be satisfied by including
 - (a) if the issuer was a reporting issuer in at least one jurisdiction on the acquisition date, the financial statements or other information that will be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of NI 51-102,
 - (b) if the issuer was not a reporting issuer in any jurisdiction on the acquisition date, the financial statements or other information that would be required by subsection 35.3(2), or

(c) satisfactory alternative financial statements or other information.

35.6 Probable acquisitions

- 1) Include the information required under subsection (2) for any proposed acquisition of a business or related businesses by an issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high, and that, if completed by the issuer at the date of the prospectus, would be a significant acquisition.
- 2) For a proposed acquisition of a business or related businesses by the issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high and to which subsection (1) applies, include
 - (a) the information required by sections 2.1 through 2.6 of Form 51-102F4, modified as necessary to convey that the acquisition has not been completed, and
 - (b) the financial statements or other information of the probable acquisition under subsection (3) for the acquired business or related businesses, if
 - (i) the issuer was not a reporting issuer in any jurisdiction immediately before filing the prospectus, or
 - (ii) the issuer was a reporting issuer in at least one jurisdiction immediately before filing the prospectus, and the inclusion of the financial statements or other information is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.
- 3) For a proposed acquisition of a business or related businesses by the issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high and to which subsection (2) applies, the requirement to include financial statements or other information under subsection (2)(b) must be satisfied by including
 - (a) if the issuer was a reporting issuer in at least one jurisdiction immediately before filing the prospectus, the financial statements or other information that would be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of NI 51-102, as if the acquisition date were the date of the prospectus,
 - (b) if the issuer was not a reporting issuer in any jurisdiction immediately before filing the prospectus, the financial statements or other information that would be required to be included by subsection 35.3(2), as if the acquisition had been completed before the filing of the prospectus and the acquisition date were the date of the prospectus, or

- (c) satisfactory alternative financial statements or other information.

35.7 Pro forma financial statements for multiple acquisitions

Despite sections 35.2, 35.3, 35.5 and 35.6, an issuer is not required to include in its prospectus the pro forma financial statements otherwise required for each acquisition, if the issuer includes in its prospectus one set of pro forma financial statements that

- (a) reflects the results of each acquisition since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus,
- (b) is prepared as if each acquisition had occurred at the beginning of the most recently completed financial year of the issuer for which financial statements of the issuer are included in the prospectus, and
- (c) is prepared in accordance with
 - (i) if no disclosure is otherwise required for a probable acquisition under section 35.6, the section in this Item that applies to the most recently completed acquisition, or
 - (ii) section 35.6.

35.8 Additional financial statements or financial information of business filed or released

- 1) An issuer must include in its prospectus annual financial statements and an interim financial report of a business or related businesses for a financial period that ended before the acquisition date and is more recent than the periods for which financial statements are required under section 35.5 or 35.6 if, before the prospectus is filed, the financial statements of the business for the more recent period have been filed.
- 2) If, before the prospectus is filed, historical financial information of a business or related businesses for a period more recent than the period for which financial statements are required under section 35.5 or 35.6, is publicly disseminated by news release or otherwise by or on behalf of the issuer, the issuer shall include in the prospectus the content of the news release or public communication.

ITEM 36: Probable Reverse Takeovers

36.1 Probable reverse takeovers

If the issuer is involved in a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high, include statements by the reverse takeover acquirer providing

disclosure about the reverse takeover acquirer that would be required under this Form, as applicable, if the reverse takeover acquirer were the issuer of the securities to be distributed, and such other information about the reverse takeover acquirer as is necessary to provide full, true and plain disclosure of all material facts relating to the securities to be distributed, including the disclosure required by Items 4, 5, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 27, 28, and 32.

ITEM 36A: Marketing Materials

Marketing materials

- 36A.1 (1) If marketing materials were provided under subsection 13.7(1) or 13.8(1) of the Instrument, the issuer must
- (a) include a section, under the heading "Marketing Materials", proximate to the beginning of the prospectus that contains the disclosure required by this Item,
 - (b) subject to subsection (2), include the template version of the marketing materials filed under the Instrument in the final prospectus, or incorporate by reference the template version of the marketing materials filed under the Instrument into the final prospectus, and
 - (c) indicate that the template version of the marketing materials is not part of the final prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in the final prospectus.
- (2) An issuer may comply with paragraph (1)(b) by including the template version of the marketing materials filed under the Instrument in the section of the prospectus under the heading "Marketing Materials" or in an appendix to the prospectus that is referred to in that section.
- (3) If the prospectus or any amendment modifies a statement of material fact that appeared in marketing materials provided earlier,
- (a) provide details of how the statement in the marketing materials has been modified, and
 - (b) disclose that, pursuant to subsection 13.7(7) or 13.8(7) of the Instrument,
 - (i) the issuer has prepared a revised template version of the marketing materials which has been blacklined to show the modified statement, and

- (ii) the revised template version of the marketing materials can be viewed under the issuer's profile on www.sedar.com.
- (4) State that any template version of the marketing materials filed under the Instrument after the date of the final prospectus and before the termination of the distribution is deemed to be incorporated into the final prospectus.
- (5) If the issuer relies on the exception in subsection 13.12(1) of the Instrument, include the following statement, or words to the same effect:

"Before the filing of the final prospectus, the issuer and underwriters held road shows on *[insert dates and brief description of road shows for U.S. cross-border offering eligible for the exception in subsection 13.12(1) of the Instrument or other prospectus rule]* to which potential investors in *[insert the jurisdictions of Canada where the prospectus was filed]* were able to attend. The issuer and the underwriters provided marketing materials to those potential investors in connection with those road shows.

In doing so, the issuer and the underwriters relied on a provision in applicable securities legislation that allows issuers in certain U.S. cross-border offerings to not have to file marketing materials relating to those road shows on SEDAR or include or incorporate those marketing materials in the final prospectus. The issuer and the underwriters can only do that if they give a contractual right to investors in the event the marketing materials contain a misrepresentation.

Pursuant to that provision, the issuer and the underwriters signing the certificate contained in this prospectus have agreed that in the event the marketing materials relating to those road shows contain a misrepresentation (as defined in securities legislation in *[insert the jurisdictions of Canada where the prospectus was filed]*), a purchaser resident in *[insert the jurisdictions of Canada where the prospectus was filed]* who was provided with those marketing materials in connection with the road shows and who purchases the securities offered by this prospectus during the period of distribution shall have, without regard to whether the purchaser relied on the misrepresentation, rights against the issuer and each underwriter with respect to the misrepresentation which are equivalent to the rights under the securities legislation of the jurisdiction in Canada where the purchaser is resident, subject to the defences, limitations and other terms of that legislation, as if the misrepresentation was contained in this prospectus.

However, this contractual right does not apply to the extent that the contents of the marketing materials relating to the road shows have

been modified or superseded by a statement in this prospectus. In particular, *[insert a description of how any statement in the marketing materials has been modified or superseded by a statement in the prospectus].*"

GUIDANCE

Marketing materials do not, as a matter of law, amend a preliminary prospectus, a final prospectus or any amendment..

ITEM 37: Certificates

37.1 Certificates

Include the certificates required by Part 5 of the Instrument or by securities legislation.

37.2 Issuer certificate form

An issuer certificate form must state:

"This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified]."

37.3 Underwriter certificate form

An underwriter certificate form must state:

"To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified]."

37.4 Amendments

- 1) For an amendment to a prospectus that does not restate the prospectus, change "prospectus" to "prospectus dated [insert date] as amended by this amendment" wherever it appears in the statements in sections 37.2 and 37.3.
- 2) For an amended and restated prospectus, change "prospectus" to "amended and restated prospectus" wherever it appears in the statements in sections 37.2 and 37.3.

37.5 Non-offering prospectuses

For a non-offering prospectus, change "securities offered by this prospectus" to "securities previously issued by the issuer" wherever it appears in the statements in sections 37.2 and 37.3.

Marketing materials

37.6 If an issuer filed a template version of marketing materials under paragraph 13.7(1)(e) of the Instrument or intends to file a template version of marketing materials under paragraph 13.8(1)(e) of the Instrument, change “prospectus” to “prospectus (which includes the marketing materials included or incorporated by reference)” where it first appears in the statements in sections 37.2 and 37.3.

ITEM 38: Transition

38.1 Interim financial report

- 1) Despite subsection 32.3(1), an issuer may include a comparative interim financial report of the issuer for the most recent interim period, if any, ended
 - (a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus, and
 - (b) more than
 - (i) 75 days before the date of the prospectus, or
 - (ii) 90 days before the date of the prospectus if the issuer is a venture issuer.
- 2) Subsection (1) does not apply unless
 - (a) the comparative interim financial report is the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011,
 - (b) the issuer
 - (i) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and
 - (ii) did not previously file financial statements that disclosed compliance with IFRS,
 - (c) the issuer is a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus, and
 - (d) the final long form prospectus is filed before July 5, 2012.

38.2 Asset-backed securities

- 1) Despite subsection 10.3(5), all financial disclosure that describes the underlying pool of financial assets of the issuer for a transition year must be included in the prospectus for the most recent interim period, if any, ended
 - (a) subsequent to the most recent financial year referred to in paragraphs 10.3(3)(a) and 10.3(3)(b) in respect of which financial disclosure on the underlying pool of financial assets is included in the prospectus, and
 - (b) more than
 - (i) 75 days before the date of the prospectus, or
 - (ii) 90 days before the date of the prospectus if the issuer is a venture issuer.

- 2) Subsection (1) does not apply unless
 - (a) the financial disclosure in respect of the interim period is the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011,
 - (b) the issuer
 - (i) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and
 - (ii) did not previously file financial statements that disclosed compliance with IFRS,
 - (c) the issuer is a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus, and
 - (d) the final long form prospectus is filed before July 5, 2012.

FORM 41-101F2
INFORMATION REQUIRED IN AN INVESTMENT FUND PROSPECTUS

GENERAL INSTRUCTIONS

- (1) *The objective of the prospectus is to provide information concerning the investment fund that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed. This Form does not prohibit including information beyond what the Form requires. Further, certain rules of specific application impose prospectus disclosure obligations in addition to those described in this Form.*
- (2) *Terms used and not defined in this Form that are defined or interpreted in the Instrument must bear that definition or interpretation. Other definitions are set out in NI 14-101 Definitions.*
- (3) *In determining the degree of detail required, a standard of materiality must be applied. Materiality is a matter of judgment in the particular circumstance, and is determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the investment fund's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items must be considered individually rather than on a net basis, if the items have an offsetting effect.*
- (4) *Unless an item specifically requires disclosure only in the preliminary prospectus, the disclosure requirements set out in this Form apply to both the preliminary prospectus and the prospectus. Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the preliminary prospectus, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.*
- (5) *The disclosure must be understandable to readers and presented in an easy-to-read format. The presentation of information should comply with the plain language principles listed in section 4.1 of Companion Policy 41-101CP General Prospectus Requirements. If technical terms are required, clear and concise explanations should be included.*
- (6) *No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*

- (7) *The disclosure required in this Form must be presented in the order and using the headings specified in the Form. If no sub-heading for an Item is stipulated in this Form, an investment fund may include sub-headings under the required headings.*
- (8) *Where the term "investment fund" is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, to also include disclosure with respect to the investment fund's investees. If it is more likely than not that a person or company will become an investee, it may be necessary to also include disclosure with respect to the person or company. For this purpose, investees include entities that are consolidated, proportionately consolidated, or accounted for using the equity method.*
- (9) *If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.*
- (10) *If the term "class" is used in any item to describe securities, the term includes a series.*
- (11) *Where performance data is presented in the prospectus, annual compound returns must be presented for standard applicable performance periods of 1, 3, 5 and 10 year periods and the period since inception unless otherwise specified by the requirements of this Form. Performance data for periods of less than one year must not be presented. Hypothetical or back-tested performance data must not be presented.*
- (12) *An investment fund that has more than one class or series that are referable to the same portfolio may treat each class or series as a separate investment fund for the purposes of this Form, or may combine disclosure of one or more of the classes or series in one prospectus. If disclosure pertaining to more than one class or series is combined in one prospectus, separate disclosure in response to each item in this Form must be provided for each class or series unless the responses would be identical for each class or series.*
- (13) *A section, part, class or series of a class of securities of an investment fund that is referable to a separate portfolio is considered to be a separate investment fund for the purposes of this Form. An investment fund that has more than one class or series of securities referable to separate portfolios may combine disclosure of one or more of the classes or series in one prospectus if each class or series is managed by the same manager. If disclosure pertaining to more than one class or series is combined in one prospectus, separate disclosure in response to each item in this Form must be provided for each class or series unless the responses would be identical for each class or series.*

PROSPECTUS FORM

Item 1: Cover Page Disclosure

1.1 Preliminary Prospectus Disclosure

Every preliminary prospectus must have printed in red ink and in italics at the top of the cover page immediately above the disclosure required in section 1.2 the following, with the bracketed information completed:

"A copy of this preliminary prospectus has been filed with the securities regulatory authority(ies) in [each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority(ies)."

INSTRUCTION

Investment funds must complete the bracketed information by

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

1.2 Required Statement

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

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

1.3 Basic Disclosure about the Distribution

- (1) State the following immediately below the disclosure required under sections 1.1 and 1.2 with the bracketed information completed:

"[PRELIMINARY OR PRO FORMA] PROSPECTUS

[INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR
SECONDARY OFFERING OR CONTINUOUS OFFERING]

[Date]

[Name of investment fund]

[number and type of securities qualified for distribution under the prospectus, and the price per security]

[type of fund – state the following: “This investment fund is a [labour sponsored or venture capital fund, commodity pool, non-redeemable investment fund, or exchange-traded mutual fund, or, if the issuer is another type of investment fund, state the type of fund].”

If securities of the investment fund are intended to be listed or quoted on an exchange or marketplace and conditional listing approval has been received, state the following: “[Name of exchange or marketplace] has conditionally approved the [listing/quotation] of the [type of securities qualified for distribution under the prospectus and to be listed/quoted], subject to the [name of investment fund] fulfilling all of the requirements of the [name of exchange or marketplace] on or before [date] .””

- (2) Briefly describe the investment objectives of the investment fund and provide a cross-reference to sections in the prospectus where information about the investment objectives is provided.
- (3) State the name of the manager and portfolio adviser of the investment fund and provide a cross-reference to sections in the prospectus where information about the manager and portfolio adviser is provided.

1.4 Distribution

- (1) Subsections (2) – (8) do not apply to an investment fund in continuous distribution.
- (2) If the securities are being distributed for cash, provide the information called for below, in substantially the following tabular form or in a note to the table:

	Price to public (a)	Underwriting discounts or commission (b)	Proceeds to issuer or selling securityholders (c)
Per Security			
Total			

- (3) Describe the terms of any over-allotment option or any option to increase the size of the distribution before closing.
- (3.1) If there may be an over-allocation position provide the following disclosure:

"A purchaser who acquires [insert type of securities qualified for distribution under the prospectus] forming part of the underwriters' over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases."

- (4) If the distribution of the securities is to be on a best efforts basis, and a minimum offering amount
- (a) is required for the issuer to achieve one or more of the purposes of the offering, provide totals for both the minimum and maximum offering amount, or
- (b) is not required for the issuer to achieve any of the purposes of the offering, state the following in boldface type:

"There is no minimum amount of funds that must be raised under this offering. This means that the issuer could complete this offering after raising only a small proportion of the offering amount set out above."

- (5) If debt securities are being distributed at a premium or a discount, state in boldface type the effective yield if held to maturity.
- (6) Disclose separately those securities that are underwritten, those under option and those to be sold on a best efforts basis, and, in the case of a best efforts distribution, the latest date that the distribution is to remain open.
- (7) In column (b) of the table, disclose only commissions paid or payable in cash by the investment fund or selling securityholder and discounts granted. Set out in a note to the table
 - (a) commissions or other consideration paid or payable by persons or companies other than the investment fund or selling securityholder,
 - (b) consideration other than discounts granted and cash paid or payable by the investment fund or selling securityholder, including warrants and options, and
 - (c) any finder's fees or similar required payment.
- (8) If a security is being distributed for the account of a selling securityholder, state the name of the securityholder and a cross-reference to the applicable section in the prospectus where further information about the selling securityholder is provided. State the portion of the expenses of the distribution to be borne by the selling securityholder and, if none of the expenses of the distribution are being borne by the selling securityholder, include a statement to that effect and discuss the reason why this is the case.
- (9) If a minimum subscription amount is required from each subscriber, provide details of the minimum subscription requirements.

INSTRUCTIONS

- (1) *Estimate amounts, if necessary. For non-fixed price distributions that are being made on a best efforts basis, disclosure of the information called for by the table may be set forth as a percentage or a range of percentages and need not be set forth in tabular form.*
- (2) *If debt securities are being distributed, also express the information in the table as a percentage.*

1.5 Offering Price in Currency Other than Canadian Dollar

If the offering price of the securities being distributed is disclosed in a currency other than the Canadian dollar, disclose in boldface type the currency.

1.6 Non-fixed Price Distributions

If the securities are being distributed at non-fixed prices, disclose

- (a) the discount allowed or commission payable to the underwriter,
- (b) any other compensation payable to the underwriter and, if applicable, that the underwriter's compensation will be increased or decreased by the amount by which the aggregate price paid for the securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter to the investment fund or selling securityholder,
- (c) that the securities to be distributed under the prospectus will be distributed, as applicable, at
 - (i) prices determined by reference to the prevailing price of a specified security in a specified market,
 - (ii) market prices prevailing at the time of sale,
 - (iii) prices to be negotiated with purchasers, or
 - (iv) the net asset value of a security,
- (d) that prices may vary from purchaser to purchaser and during the period of distribution,
- (e) if the price of the securities is to be determined by reference to the prevailing price of a specified security in a specified market, the price of the specified security in the specified market at the latest practicable date,
- (f) if the price of the securities will be the market price prevailing at the time of the sale, the market price at the latest practicable date, and
- (g) the net proceeds or, if the distribution is to be made on a best efforts basis, the minimum amount of net proceeds, if any, to be received by the investment fund or selling securityholder.

1.7 Pricing Disclosure

If the offering price or the number of securities being distributed, or an estimate of the range of the offering price or the number of securities being distributed, has been publicly disclosed in a jurisdiction or a foreign jurisdiction as of the date of the preliminary prospectus, include this information in the preliminary prospectus.

1.8 Reduced Price Distributions

If an underwriter wishes to be able to decrease the price at which securities are distributed for cash from the initial offering price fixed in the prospectus, include in boldface type a cross-reference to the section in the prospectus where disclosure concerning the possible price decrease is provided.

1.9 Market for Securities

- (1) Identify the exchange(s) and quotation system(s), if any, on which securities of the investment fund of the same class as the securities being distributed are traded or quoted and the market price of those securities as of the latest practicable date.
- (2) Disclose any intention to stabilize the market. Provide a cross-reference to the section in the prospectus where further information about market stabilization is provided.
- (3) If no market for the securities being distributed under the prospectus exists or is expected to exist upon completion of the distribution, state the following in boldface type:

“There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See ‘Risk Factors’.”

- (4) Subsection (3) does not apply to an investment fund in continuous distribution.

1.10 Risk Factors

Include a cross-reference to sections in the prospectus where information about the risks of an investment in the securities being distributed is provided. State any significant risks including leverage.

1.11 Underwriter(s)

- (1) State the name of each underwriter.
- (2) If applicable, comply with the requirements of NI 33-105 for front page prospectus disclosure.
- (3) Other than a labour sponsored or venture capital fund or commodity pool, if there is no underwriter involved in the distribution, provide a statement in boldface type to the effect that no underwriter has been involved in the preparation of the prospectus or performed any review or independent due diligence of the contents of the prospectus.

1.12 Commodity Pool

- (1) For a commodity pool, state in substantially the following words:

"You should carefully consider whether your financial condition permits you to participate in this investment. The securities of this commodity pool are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place in the commodity pool.

The risk of loss in trading [nature of instruments to be traded by the commodity pool] can be substantial. In considering whether to participate in the [commodity pool], you should be aware that trading [nature of instruments] can quickly lead to large losses as well as gains. Such trading losses can sharply reduce the net asset value of the [commodity pool] and consequently the value of your interest in the [commodity pool]. Also, market conditions may make it difficult or impossible for the [commodity pool] to liquidate a position.

The [commodity pool] is subject to certain conflicts of interest. The [commodity pool] will be subject to the charges payable by it as described in this prospectus that must be offset by revenues and trading gains before an investor is entitled to a return on his or her investment. It may be necessary for the [commodity pool] to make substantial trading profits to avoid depletion or exhaustion of its assets before an investor is entitled to a return on his or her investment."

- (2) For the initial prospectus, state in substantially the following words:

"The [commodity pool] is newly organized. The success of the [commodity pool] will depend upon a number of conditions that are beyond the control of the [commodity pool]. There is substantial risk that the goals of the [commodity pool] will not be met."

- (3) If the promoter, manager, or a portfolio adviser of the commodity pool has not had a similar involvement with any other publicly offered commodity pool, state in substantially the following words:

"The [promoter], [manager] [and/or] [portfolio adviser] of the [commodity pool] has not previously operated any other publicly offered commodity pools [or traded other accounts]."

- (4) If the commodity pool will execute trades outside Canada, state in substantially the following words:

“Participation in transactions in [nature of instrument to be traded by the commodity pool] involves the execution and clearing of trades on or subject to the rules of a foreign market.

None of the Canadian securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing of transactions, or has the power to compel enforcement of the rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs.

For these reasons, entities such as the commodity pool that trade [nature of instrument to be traded by the commodity pool] may not be afforded certain of the protective measures provided by Canadian legislation and the rules of Canadian exchanges. In particular, funds received from customers for transactions may not be provided the same protection as funds received in respect of transactions on Canadian exchanges.”

- (5) State that the commodity pool is a mutual fund but that certain provisions of securities legislation designed to protect investors who purchase securities of mutual funds do not apply.
- (6) Immediately after the statements required by subsections (1) – (5), state in substantially the following words:

“These brief statements do not disclose all the risks and other significant aspects of investing in the [commodity pool]. You should therefore carefully study this prospectus, including a description of the principal risk factors at page [page number], before you decide to invest in the [commodity pool].”

1.13 Restricted Securities

Describe the number and class or classes of restricted securities being distributed using the appropriate restricted security terms in the same type face and type size as the rest of the description.

1.14 Enforcement of Judgements Against Foreign Persons or Companies

If the investment fund, investment fund manager or any other person or company that is signing or providing a certificate under Part 5 of the Instrument or other securities legislation, or any person or company for whom the issuer is required to file a consent under Part 10 of the Instrument, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following

on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed:

"The [investment fund, investment fund manager or any other person or company] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada.

[the person or company named below] has appointed the following agent(s) for service of process:

Name of Person or Company	Name and Address of Agent

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process."

1.15 Documents Incorporated by Reference

For an investment fund in continuous distribution, state in substantially the following words:

"Additional information about the Fund is available in the following documents:

- the most recently filed annual financial statements;
- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this prospectus which means that they legally form part of this prospectus. Please see the "Documents Incorporated by Reference" section for further details."

Item 2: Table of Contents

2.1 Table of Contents

Include a table of contents.

Item 3: Summary of Prospectus

3.1 Prospectus Summary

Under the heading "Prospectus Summary" include the information listed in sections 3.2 to 3.6.

3.2 Cautionary Language

At the beginning of the summary, include a statement in italics in substantially the following form:

"The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus [[if applicable] or incorporated by reference in the prospectus]."

3.3 General

- (1) Briefly summarize information appearing elsewhere in the prospectus that, in the opinion of the investment fund or selling securityholder, would be most likely to influence the investor's decision to purchase the securities being distributed. Include a description of
 - (a) how the investment fund has been organized (corporation, trust, etc.),
 - (b) the securities to be distributed, including the offering price and expected net proceeds,
 - (c) the investment objectives,
 - (d) the investment strategies,
 - (e) the use of leverage, including the following:
 - (i) if leverage is created through borrowing or the issuance of preferred securities, disclose any restrictions on the leverage used or to be used and whether the investment fund will borrow a minimum amount. Disclose the maximum amount of leverage the investment fund may use as a ratio calculated by dividing the maximum total assets of the investment fund by the net asset value of the investment fund, and
 - (ii) if leverage is created through the use of specified derivatives or by other means not disclosed in subparagraph (i), disclose any restrictions on the leverage used or to be used by the investment fund and whether the investment fund will use a minimum amount of leverage. Disclose the maximum amount of leverage the fund

may use as a multiple of net assets. Provide a brief explanation of how the investment fund defines the term “leverage” and the significance of the maximum and minimum amounts of leverage to the investment fund,

- (f) the use of proceeds,
 - (g) risk factors,
 - (h) income tax considerations,
 - (i) all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and if applicable, that the choice of different purchase options affects the amount of compensation paid to a dealer,
 - (j) the redemption features,
 - (k) the distribution policy,
 - (l) the termination provisions,
 - (m) if restricted securities, subject securities or securities directly or indirectly convertible into or exercisable or exchangeable for restricted securities or subject securities are to be distributed under the prospectus,
 - (i) include a summary of the information required by section 21.6, and
 - (ii) include, in boldface type, a statement of the rights the holders of restricted securities do not have if the holders do not have all of the rights referred to in section 21.6, and
 - (n) whether the investment fund is eligible as an investment for registered retirement savings plans, registered retirement income plans, registered education savings plans or deferred profit sharing plans.
- (2) For each item summarized under subsection (1), provide a cross-reference to the information in the prospectus.

INSTRUCTIONS

- (1) *For the purposes of Item 3.3(1)(e)(i), a fund must calculate its maximum total assets by aggregating the maximum value of its long positions, short positions and the maximum amount that may be borrowed.*
- (2) *For the purposes of the disclosure required by Item 3.3(1)(e)(ii), the term “specified derivative” has the same meaning as in NI 81-102. The*

description of an investment fund's use of leverage under Item 3.3(1)(e)(ii) must provide investors with sufficient information to understand the magnitude of the market exposure of the investment fund as compared to the amount of money raised by the investment fund from investors.

3.4 Organization and Management of the Investment Fund

- (1) Provide, under the sub-heading "Organization and Management of the [name of investment fund]", information about the manager, trustee, portfolio adviser, promoter, custodian, registrar and transfer agent, auditor, principal distributor and securities lending agent of the investment fund in the form of a diagram or table.
- (2) For each entity listed in the diagram or table, briefly describe the services provided by that entity and the relationship of that entity to the manager.
- (3) For each entity listed in the diagram or table, other than the manager of the investment fund, provide the municipality and the province or country where it principally provides its services to the investment fund. Provide the complete municipal address for the manager of the investment fund.

INSTRUCTIONS:

- (1) *The information required to be disclosed in this section must be presented prominently, using enough space so that it is easy to read.*
- (2) *Briefly describe the services provided by the listed entities. For instance, the manager may be described as "manages the overall business and operations of the fund", and a portfolio adviser may be described as "provides investment advice to the manager about the investment portfolio of the fund" or "manages the investment portfolio of the fund".*

3.5 Underwriter(s)

- (1) Under the sub-heading "Underwriters" or "Agents", as applicable, state the name of each underwriter or agent.
- (2) If an underwriter has agreed to purchase all of the securities being distributed at a specified price and the underwriter's obligations are subject to conditions, state the following, with the bracketed information completed:

"We, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by [name of investment fund] and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under "Plan of Distribution"."

- (3) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the final prospectus.
- (4) Provide the following tabular information:

Underwriter's Position	Maximum size or number of securities available	Exercise period/ Acquisition date	Exercise price or average acquisition price
Over-allotment option			
Compensation option			
Any other option granted by investment fund or insider of investment fund to underwriter			
Total securities under option issuable to underwriter			
Other compensation securities issuable to underwriter			

INSTRUCTION

If the underwriter has been granted compensation securities, state, in a footnote, whether the prospectus qualifies the grant of all or part of the compensation securities and provide a cross-reference to the applicable section in the prospectus where further information about the compensation securities is provided.

3.6 Fees, Expenses and Returns

- (1) Set out information about the fees and expenses payable by the investment fund and by investors in the investment fund under the sub-heading "Summary of Fees and Expenses".

- (2) The information required by this section must be a summary of the fees, charges and expenses of the investment fund and investors presented in the form of the following table, appropriately completed, and introduced using substantially the following words:

"This table lists the fees and expenses that you may have to pay if you invest in the [insert the name of the investment fund]. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund."

Fees and Expenses Payable by the Fund

<u>Type of Fee</u>	<u>Amount and Description</u>
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Fees and Expenses Payable Directly by You

<u>Type of Fee</u>	<u>Amount and Description</u>
--------------------	-------------------------------

- (3) Describe the following fees and expenses in the table referred to in subsection (2):

Fees and Expenses Payable by the Fund

- (a) Fees payable to the Underwriters for Selling the Securities
- (b) Expenses of the Issue
- (c) Management Fees [See *Instruction (1)*]
- (d) Incentive or Performance Fees
- (e) Portfolio Adviser Fees
- (f) Counterparty Fees (if any)
- (g) Operating Expenses [See *Instructions (2) and (3)*]
- (h) Other Fees and Expenses [*specify type*] [*specify amount*]

Fees and Expenses Payable Directly by You

- (i) Sales Charges [*specify percentage, as a percentage of ____*]
- (j) Service Fees [*specify percentage, as a percentage of ____*]
- (k) Redemption Fees [*specify percentage, as a percentage of ____, or specify amount*]
- (l) Registered Tax Plan Fees [*include this disclosure and specify the type of fees if the registered tax plan is sponsored by the investment fund and is described in the prospectus*][*specify amount*]
- (m) Other Fees and Expenses [*specify type*] [*specify amount*].

- (4) Under the sub-heading "Annual Returns, Management Expense Ratio and Trading Expense Ratio", provide, in the following table, returns for each of the past five years, the management expense ratio for each of the past five years and the trading expense ratio for each of the past five years as disclosed in the

most recently filed annual management report of fund performance of the investment fund:

	[specify year]	[specify year]	[specify year]	[specify year]	[specify year]
Annual Returns
MER
TER

“MER” means management expense ratio based on management fees and operating expenses (excluding commissions and other portfolio transaction costs) expressed as an annualized percentage of daily average net asset value.

“TER” means trading expense ratio and represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value.

INSTRUCTIONS:

- (1) *List the amount of the management fee, including any performance or incentive fee, for each investment fund separately.*
- (2) *Under "Operating Expenses", state whether the investment fund pays all of its operating expenses and list the main components of those expenses. If the investment fund pays only certain operating expenses and is not responsible for payment of all such expenses, adjust the statement in the table to reflect the proper contractual responsibility of the investment fund and indicate who is responsible for the payment of these expenses.*
- (3) *Show all fees or expenses payable by the investment fund (e.g. brokerage) and investors in the investment fund. The description of fees must also include sales and trailing commissions paid either by the investment fund or the investor.*

Item 4: Overview of the Structure of the Investment Fund

4.1 Legal Structure

- (1) Under the heading “Overview of the Legal Structure of the Fund”, state the full corporate name of the investment fund or, if the investment fund is an unincorporated entity, the full name under which it exists and carries on business and the address(es) of the investment fund’s head and registered office.
- (2) State the statute under which the investment fund is incorporated or continued or organized or, if the investment fund is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the investment fund is

established and exists. Describe the substance of any material amendments to the articles or other constituting or establishing documents of the investment fund.

- (3) State whether the investment fund would be considered a mutual fund under securities legislation.

Item 5: Investment Objectives

5.1 Investment Objectives

- (1) Set out under the heading "Investment Objectives" the fundamental investment objectives of the investment fund, including information that describes the fundamental nature of the investment fund, or the fundamental features of the investment fund, that distinguish it from other investment funds.
- (2) If the investment fund purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of an investment in the investment fund, include this fact as a fundamental investment objective of the investment fund and
 - (a) identify the person or company providing the guarantee or insurance,
 - (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance,
 - (c) if applicable, state that the guarantee or insurance does not apply to the amount of any redemptions before the maturity date of the guarantee or before the death of the securityholder and that redemptions before that date would be based on the net asset value of the investment fund at the time, and
 - (d) modify any other disclosure required by this section appropriately.

INSTRUCTIONS:

- (1) *State the type or types of securities, such as money market instruments, bonds or equity securities, in which the investment fund will primarily invest under normal market conditions.*
- (2) *If the investment fund primarily invests, or intends to primarily invest, or if its name implies that it will primarily invest*
 - (a) *in a particular type of issuer, such as foreign issuers, small capitalization issuers or issuers located in emerging market countries,*
 - (b) *in a particular geographic location or industry segment, or*
 - (c) *in portfolio assets other than securities,*

the investment fund's fundamental investment objectives must so indicate.

- (3) *If a particular investment strategy is an essential aspect of the investment fund, as evidenced by the name of the investment fund or the manner in which the investment fund is marketed, disclose this strategy as an investment objective. This instruction would be applicable, for example, to an investment fund that described itself as an "investment fund that invests primarily through the use of derivatives".*

Item 6: Investment Strategies

6.1 Investment Strategies

- (1) Describe under the heading "Investment Strategies"
- (a) the principal investment strategies that the investment fund intends to use in achieving its investment objectives,
 - (b) the use of leverage, including the following:
 - (i) if leverage is created through borrowing or the issuance of preferred securities, disclose any restrictions on the leverage used or to be used and whether the investment fund will borrow a minimum amount. Disclose the maximum amount of leverage the investment fund may use as a ratio calculated by dividing the maximum total assets of the investment fund by the net asset value of the investment fund, and
 - (ii) if leverage is created through the use of specified derivatives or by other means not disclosed in subparagraph (i), disclose any restrictions on the leverage used or to be used by the investment fund and whether the investment fund will use a minimum amount of leverage. Disclose the maximum amount of leverage the fund may use as a multiple of net assets. Provide a brief explanation of how the investment fund defines the term "leverage" and the significance of the maximum and minimum amounts of leverage to the investment fund, and
 - (c) the process by which the investment fund's portfolio adviser selects securities for the fund's portfolio, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.
- (2) Indicate what types of securities, other than those held by the investment fund in accordance with its fundamental investment objectives, may form part of the investment fund's portfolio assets under normal market conditions.

- (3) If the investment fund intends to use derivatives
 - (a) for hedging purposes only, state that the investment fund may use derivatives for hedging purposes only, or
 - (b) for non-hedging purposes, or for hedging and non-hedging purposes, briefly describe
 - (i) how derivatives are or will be used in conjunction with other securities to achieve the investment fund's investment objectives,
 - (ii) the types of derivatives expected to be used and give a brief description of the nature of each type, and
 - (iii) the limits of the investment fund's use of derivatives.
- (4) If the investment fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the investment fund's portfolio adviser may use or intends to use in response to such conditions.
- (5) If the investment fund intends to enter into securities lending, repurchase or reverse repurchase transactions, briefly describe
 - (a) how those transactions are or will be entered into in conjunction with other strategies and investments of the investment fund to achieve the investment fund's investment objectives,
 - (b) the types of those transactions to be entered into and give a brief description of the nature of each type, and
 - (c) the limits of the investment fund's entering into those transactions.
- (6) If the investment fund intends to sell securities short
 - (a) state that the investment fund may sell securities short; and
 - (b) briefly describe
 - (i) the short selling process, and
 - (ii) how short sales of securities are or will be entered into in conjunction with other strategies and investments of the investment fund to achieve the investment fund's investment objectives.

INSTRUCTIONS:

- (1) *For the purposes of Item 6.1(1)(b)(i), a fund must calculate its maximum total assets by aggregating the maximum value of its long positions, short positions and the maximum amount that may be borrowed.*
- (2) *For the purposes of the disclosure required by Item 6.1(1)(b)(ii), the term "specified derivative" has the same meaning as in NI 81-102. The description of an investment fund's use of leverage under Item 6.1(1)(b)(ii) must provide investors with sufficient information to understand the magnitude of the market exposure of the investment fund as compared to the amount of money raised by the investment fund from investors*

6.2 Overview of the Investment Structure

- (1) Under the sub-heading, "Overview of the Investment Structure", describe, including a diagram for complex structures, the overall structure of the underlying investment or investments made or to be made by the investment fund, including any direct or indirect investment exposure. Include in the description and the diagram any counterparties under a forward or swap agreement entered into with the investment fund or its manager, the nature of the portfolio of securities being purchased by the investment fund, any indirect investment exposure that is related to the return of the investment fund and any collateral or guarantees given as part of the overall structure of the underlying investment or investments made by the investment fund.
- (2) If the securities distributed under the prospectus are being issued in connection with a restructuring transaction, describe by way of a diagram or otherwise the intercorporate relationships both before and after the completion of the proposed transaction.

Item 7: Overview of the Sector(s) that the Fund Invests in

7.1 Sector(s) that the Fund Invests in

- (1) Under the heading "Overview of the Sector[(s)] that the Fund Invests in", if the investment fund invests or intends to invest in a specific sector(s), briefly describe the sector(s) that the investment fund has been or will be investing in.
- (2) Include in the description known material trends, events or uncertainties in the sector(s) that the investment fund invests or intends to invests in that might reasonably be expected to affect the investment fund.

7.2 Significant Holdings in Other Entities

For a labour sponsored or venture capital fund, include in substantially the tabular form below, the following information as at a date within 30 days of the date of the prospectus with respect to each entity, 5 percent or more of whose securities of any class are beneficially owned directly or indirectly by the fund.

Significant Holdings of the [name of the labour sponsored or venture capital fund]		
Name and Address of Entity	Nature of Entities' Principal Business	Percentage of Securities of each Class Owned by Fund
-----	-----	-----

Item 8: Investment Restrictions

8.1 Investment Restrictions

- (1) Under the heading "Investment Restrictions", describe any restrictions on investments adopted by the investment fund, beyond what is required under securities legislation.
- (2) If the investment fund has received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.
- (3) Describe the nature of any securityholder or other approval that may be required in order to change the fundamental investment objectives and any of the material investment strategies to be used to achieve the investment objectives.

Item 9: Management Discussion of Fund Performance

9.1 Management Discussion of Fund Performance

Unless the investment fund's most recently filed management report of fund performance is incorporated by reference under Item 37 or attached to the prospectus under Item 38, provide, under the heading "Management Discussion of Fund Performance", management's discussion of fund performance in accordance with sections 2.3, 2.4, 2.5, 3, 4, 5 and 6 of Part B of Form 81-106F1 for the period covered by the financial statements required under Item 38.

Item 10: Fees and Expenses

10.1 Fees and Expenses

Under the heading "Fees and Expenses", set out information about all of the fees and expenses payable by the investment fund and by investors in the investment fund.

INSTRUCTION:

Describe each fee paid by the investment fund and by the investor in this section separately. The description of fees must also include sales and trailing commissions paid either by the investment fund or the investor.

Item 11: Annual Returns and Management Expense Ratio

11.1 Annual Returns, Management Expense Ratio and Trading Expense Ratio

Under the heading "Annual Returns, Management Expense Ratio and Trading Expense Ratio", provide, in the following table, returns for each of the past five years, the management expense ratio for each of the past five years and the trading expense ratio for each of the past five years as disclosed in the most recently filed annual management report of fund performance of the investment fund:

	[specify year]	[specify year]	[specify year]	[specify year]	[specify year]
Annual Returns
MER
TER

"MER" means management expense ratio based on management fees and operating expenses (excluding commissions and other portfolio transaction costs) expressed as an annualized percentage of daily average net asset value.

"TER" means trading expense ratio and represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value.

Item 12: Risk Factors

12.1 Risk Factors

- (1) Under the heading "Risk Factors", describe the risk factors material to the investment fund that a reasonable investor would consider relevant to an investment in the securities being distributed, such as the risks associated with

any particular aspect of the fundamental investment objectives and investment strategies.

- (2) Include a discussion of general market, political, market sector, liquidity, interest rate, foreign currency, diversification, leverage, credit, legal and operational risks, as appropriate.
- (3) Include a brief discussion of general investment risks applicable to the investment fund, such as specific company developments, stock market conditions and general economic and financial conditions in those countries where the investments of the investment fund are listed for trading.
- (4) As applicable, describe the risks associated with the investment fund entering into
 - (a) derivative transactions for non-hedging purposes,
 - (b) securities lending, repurchase or reverse repurchase transactions; and
 - (c) short sales of securities.
- (5) If there is a risk that purchasers of the securities distributed may become liable to make an additional contribution beyond the price of the security, disclose the risk.

INSTRUCTIONS:

- (1) *Describe risks in the order of seriousness from the most serious to the least serious.*
- (2) *A risk factor must not be de-emphasized by including excessive caveats or conditions.*

Item 13: Distribution Policy

13.1 Distribution Policy

Under the heading "Distribution Policy", describe the distribution policy, including

- (a) whether distributions are made by the investment fund in cash or reinvested in securities of the investment fund,
- (b) the targeted amount of any distributions,
- (c) whether the distributions are guaranteed or not, and
- (d) when the distributions are made.

Item 14: Purchases of Securities

14.1 Purchases of Securities

- (1) Under the heading "Purchases of Securities", describe the procedure followed or to be followed by investors who desire to purchase securities of the investment fund or switch them for securities of other investment funds.
- (2) Describe how the issue price of the securities of the investment fund is determined.
- (3) Describe how the securities of the investment fund are distributed. If sales are effected through a principal distributor, give brief details of any arrangements with the principal distributor.
- (4) Describe all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and if applicable, that the choice of different purchase options affects the amount of compensation paid to a dealer.
- (5) If applicable, disclose that a dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of securities of the investment fund caused by the investor.
- (6) If applicable, for an investment fund that is being sold on a best efforts basis, state whether the issue price will be fixed during the initial distribution period, and state when the investment fund will begin issuing securities at the net asset value of a security of the investment fund.

Item 15: Redemption of Securities

15.1 (1) Redemption of Securities

Under the heading "Redemption of Securities", describe how investors may redeem securities of the investment fund, including

- (a) the procedures followed, or to be followed, by an investor who desires to redeem securities of the investment fund and specifying the procedures to be followed and the documents to be delivered before a redemption order pertaining to securities of the investment fund will be accepted by the investment fund for processing and before payment of the proceeds of redemption will be made by the investment fund,
 - (a.1) the dates on which securities of the investment fund will be redeemed,

- (a.2) the dates on which payment of the proceeds of redemption will be made by the investment fund,
 - (b) how the redemption price of the securities is determined and, if applicable, state that the redemption price of the securities is based on the net asset value of a security of that class, or series of a class, next determined after the receipt by the investment fund of the redemption order, and
 - (c) the circumstances under which the investment fund may suspend redemptions of the securities of the investment fund.
- (2) If the proceeds of redemption are computed by reference to the net asset value per security and amounts may be deducted from the net asset value per security, describe each amount that may be deducted and the entity to which each amount is paid. If there is a maximum amount or percentage that may be deducted from the net asset value per security, disclose that amount or percentage.

15.2 Short-term Trading

For an investment fund in continuous distribution, under the sub-heading "Short-Term Trading",

- (a) describe the adverse effects, if any, that short-term trades in securities of the investment fund by an investor may have on other investors in the investment fund,
- (b) describe the restrictions, if any, that may be imposed by the investment fund to deter short-term trades, including the circumstances, if any, under which such restrictions may not apply,
- (c) where the investment fund does not impose restrictions on short-term trades, state the specific basis for the view of the manager that it is appropriate for the investment fund not to do so, and
- (d) describe any arrangements, whether formal or informal, with any person or company, to permit short-term trades in securities of the investment fund, including the name of such person or company and the terms of such arrangements, including any restrictions imposed on the short-term trades and any compensation or other consideration received by the manager, the investment fund or any other party pursuant to such arrangements.

INSTRUCTION

For the disclosure required by section 15.2, include a brief description of the short-term trading activities in the investment fund that are considered by the manager to be

inappropriate or excessive. If the manager imposes a short-term trading fee, include a cross-reference to the disclosure provided under Item 10 of this Form.

Item 16: Consolidated Capitalization

16.1 Consolidated Capitalization

- (1) This section does not apply to an investment fund in continuous distribution.
- (2) Under the heading "Consolidated Capitalization", describe any material change in, and the effect of the material change on, the share and loan capital of the investment fund, on a consolidated basis, since the date of the investment fund's financial statements for its most recently completed financial period included in the prospectus, including any material change that will result from the issuance of the securities being distributed under the prospectus.

Item 17: Prior Sales

17.1 Prior Sales

- (1) Subsection (2) does not apply to an investment fund in continuous distribution.
- (2) Under the heading "Prior Sales", for each class of securities of the investment fund distributed under the prospectus and for securities that are convertible into those classes of securities, state, for the 12-month period before the date of the prospectus,
 - (a) the price at which the securities have been issued or are to be issued by the investment fund or sold by the selling securityholder,
 - (b) the number of securities issued or sold at that price, and
 - (c) the date on which the securities were issued or sold.

17.2 Trading Price and Volume

- (1) For each class of securities of the investment fund that is traded or quoted on a Canadian marketplace, identify the marketplace and the price ranges and volume traded or quoted on the Canadian marketplace on which the greatest volume of trading or quotation generally occurs.
- (2) If a class of securities of the investment fund is not traded or quoted on a Canadian marketplace but is traded or quoted on a foreign marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume or quotation generally occurs.

- (3) Provide the information required under subsections (1) and (2) on a monthly basis for each month or, if applicable, partial months of the 12-month period before the date of the prospectus.

Item 18: Income Tax Considerations

18.1 Status of the Investment Fund

Under the heading "Income Tax Considerations" and under the sub-heading "Status of the Investment Fund", briefly describe the status of the investment fund for income tax purposes. Also disclose whether the investment fund is eligible as an investment for registered retirement savings plans, registered retirement income plans, registered education savings plans or deferred profit sharing plans.

18.2 Taxation of the Investment Fund

Under the sub-heading "Taxation of the Investment Fund", state in general terms the bases upon which the income and capital receipts of the investment fund are taxed.

18.3 Taxation of Securityholders

Under the sub-heading "Taxation of Securityholders", state in general terms the income tax consequences to the holders of the securities offered of

- (a) any distribution to the securityholders in the form of income, capital, dividends or otherwise, including amounts reinvested in securities of the investment fund,
- (b) the redemption of securities, and
- (c) the issue of securities.

18.4 Taxation of Registered Plans

Under the sub-heading "Taxation of Registered Plans", explain the tax treatment applicable to securities of the investment fund held in a registered tax plan.

18.5 Tax Implications of the Investment Fund's Distribution Policy

Under the sub-heading "Tax Implications of the Investment Fund's Distribution Policy", describe the impact of the investment fund's distribution policy on a taxable investor who acquires securities of the investment fund late in a calendar year.

Item 19: Organization and Management Details of the Investment Fund

19.1 Management of the Investment Fund

- (1) Under the heading "Organization and Management Details of the Investment Fund" and under the sub-heading "Officers and Directors of the Investment Fund",
 - (a) list the name and municipality of residence of each director and executive officer of the investment fund and indicate their respective positions and offices held with the investment fund and their respective principal occupations during the five preceding years,
 - (b) state the period or periods during which each director has served as a director and when his or her term of office will expire,
 - (c) repealed
 - (d) disclose the board committees of the investment fund and identify the members of each committee,
 - (e) if the principal occupation of a director or executive officer of the investment fund is acting as an executive officer of a person or company other than the investment fund, disclose that fact and state the principal business of the person or company, and
 - (f) for an investment fund that is a limited partnership, provide the information required by this subsection for the general partner of the investment fund, modified as appropriate.
- (2) Under the sub-heading "Cease Trade Orders and Bankruptcies", if a director or executive officer of the investment fund is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any other issuer, that:
 - (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
 - (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,state the fact and describe the basis on which the order was made and whether the order is still in effect.
- (3) For the purposes of subsection (2), "order" means
 - (a) a cease trade order,

- (b) an order similar to a cease trade order, or
 - (c) an order that denied the relevant investment fund access to any exemption under securities legislation,
- that was in effect for a period of more than 30 consecutive days.
- (4) If a director or executive officer of the investment fund
- (a) is, as at the date of the prospectus or pro forma prospectus, as applicable, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director or executive officer of any issuer that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact, or
 - (b) has, within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer, state the fact.
- (5) Under the heading "Organization and Management Details of the Investment Fund" and under the sub-heading "Manager of the Investment Fund", provide the complete municipal address of the manager and details of the manager of the investment fund, including the history and background of the manager and any overall investment strategy or approach used by the manager in connection with the investment fund.
- (6) Under the sub-heading "Duties and Services to be Provided by the Manager", provide a description of the duties and services that the manager will be providing to the investment fund.
- (7) Under the sub-heading "Details of the Management Agreement", provide a brief description of the essential details of any management agreement that the manager has entered into or will be entering into with the investment fund, including any termination rights.
- (8) Under the sub-heading "Officers and Directors of the Manager of the Investment Fund",
- (a) list the name and municipality of residence of each partner, director and executive officer of the manager of the investment fund and indicate

their respective positions and offices held with the manager and their respective principal occupations within the five preceding years,

- (b) if a partner, director or executive officer of the manager has held more than one office with the manager within the past five years, state only the current office held, and
 - (c) if the principal occupation of a partner, director or executive officer of the manager is with an organization other than the manager of the investment fund, state the principal business in which the organization is engaged.
- (9) Under the sub-heading “Cease Trade Orders and Bankruptcies of the Manager”, provide the information required under subsections (2) and (4) for the directors and executive officers of the manager of the investment fund, modified as appropriate.
- (10) Under the heading “Ownership of Securities of the Investment Fund and of the Manager” disclose
- (a) the percentage of securities of each class or series of voting or equity securities owned of record or beneficially, in aggregate, by all the directors and executive officers of the investment fund
 - (i) in the investment fund if the aggregate level of ownership exceeds 10 percent,
 - (ii) in the manager, or
 - (iii) in any person or company that provides services to the investment fund or the manager; and
 - (b) the percentage of securities of each class or series of voting or equity securities owned of record or beneficially, in aggregate, by all the directors and executive officers of the manager of the investment fund
 - (i) in the investment fund if the aggregate level of ownership exceeds 10 percent,
 - (ii) in the manager, or
 - (iii) in any person or company that provides services to the investment fund or the manager; and
 - (c) the percentage of securities of each class or series of voting or equity securities owned of record or beneficially, in aggregate, by all the independent review committee members of the investment fund

- (i) in the investment fund if the aggregate level of ownership exceeds 10 percent,
 - (ii) in the manager, or
 - (iii) in any person or company that provides services to the investment fund or the manager.
- (11) If the management functions of the investment fund are carried out by employees of the investment fund, disclose in respect of those employees the disclosure concerning executive compensation that is required to be provided for executive officers of an issuer under securities legislation.
- (12) Describe any arrangements under which compensation was paid or payable by the investment fund during the most recently completed financial year of the investment fund, for the services of directors of the investment fund, members of an independent board of governors or advisory board of the investment fund and members of the independent review committee of the investment fund, including the amounts paid, the name of the individual and any expenses reimbursed by the investment fund to the individual
 - (a) in that capacity, including any additional amounts payable for committee participation or special assignments; and
 - (b) as a consultant or expert.
- (13) For an investment fund that is a trust, describe the arrangements, including the amounts paid and expenses reimbursed, under which compensation was paid or payable by the investment fund during the most recently completed financial year of the investment fund for the services of the trustee or trustees of the investment fund.

INSTRUCTIONS

- (1) *The disclosure required by subsections (2) and (4) also applies to any personal holding companies of any of the persons referred to in subsections (2) and (4).*
- (2) *A management cease trade order which applies to directors and executive officers of the investment fund is an "order" for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*
- (3) *For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a "penalty or sanction".*
- (4) *The disclosure in paragraph (2)(a) only applies if the director or executive officer of the investment fund was a director, chief executive officer or chief financial officer when the order was issued against the relevant investment fund. The*

investment fund does not have to provide disclosure if the director or executive officer became a director, chief executive officer or chief financial officer after the order was issued.

- (5) *The disclosure required under Item 19.1(11) regarding executive compensation for management functions carried out by employees of an investment fund must be made in accordance with the disclosure requirements of Form 51-102F6.*

19.2 Portfolio Adviser

- (1) Under the sub-heading "Portfolio Adviser"
- (a) state the municipality and the province or country where the portfolio adviser principally provides its services to the investment fund and give details of the portfolio adviser of the investment fund, including the history and background of the portfolio adviser,
 - (b) state the extent to which investment decisions are made by certain individuals employed by the portfolio adviser and whether those decisions are subject to the oversight, approval or ratification of a committee, and
 - (c) state the name, title, and length of time of service of the person or persons employed by or associated with the portfolio adviser of the investment fund who is or are principally responsible for the day-to-day management of a material portion of the portfolio of the investment fund, implementing a particular material strategy or managing a particular segment of the portfolio of the investment fund, and each person's business experience in the last five years.
- (2) Under the sub-heading "Details of the Portfolio Advisory Agreement", provide a brief description of the essential details of any portfolio advisory agreement that the portfolio adviser has entered into or will be entering into with the investment fund or the manager of the investment fund, including any termination rights.

19.2.1 Brokerage Arrangements

Under the sub-heading "Brokerage Arrangements",

- (a) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state
- (i) the process for, and factors considered in, selecting a dealer to effect securities transactions for the investment fund, including whether receiving goods or services in addition to order execution is a factor, and whether and how the process may differ for a dealer that is an affiliated entity;

- (ii) the nature of the arrangements under which order execution goods and services or research goods and services might be provided;
 - (iii) each type of good or service, other than order execution, that might be provided; and
 - (iv) the method by which the portfolio adviser makes a good faith determination that the investment fund, on whose behalf the portfolio adviser directs any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of any order execution goods and services or research goods and services, by the dealer or a third party, receives reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid;
- (b) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, since the date of the investment fund's last prospectus or last annual information form, whichever one is the most recent, state
- (i) each type of good or service, other than order execution, that has been provided to the manager or the portfolio adviser of the investment fund; and
 - (ii) the name of any affiliated entity that provided any good or service referred to in subparagraph (i), separately identifying each affiliated entity and each type of good or service provided by each affiliated entity; and
- (c) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state that the name of any other dealer or third party that provided a good or service referred to in paragraph (b)(i), that was not disclose under paragraph (b)(ii), will be provided upon request by contacting the investment fund or investment fund family at [insert telephone number] or at [insert investment fund or investment fund family e-mail address].

INSTRUCTIONS:

Terms defined in NI 23-102 – Use of Client Brokerage Commissions have the same meaning where used in this Item.

19.3 Conflicts of Interest

Under the sub-heading "Conflicts of Interest", disclose particulars of existing or potential material conflicts of interest between

- (1) the investment fund and a director or executive officer of the investment fund,
- (2) the investment fund and the manager or any director or executive officer of the manager of the investment fund, and
- (3) the investment fund and the portfolio adviser or any director or executive officer of the portfolio adviser of the investment fund.

19.4 Independent Review Committee

Under the sub-heading “Independent Review Committee”, provide a description of the independent review committee of the investment fund, including

- (a) the mandate and responsibilities of the independent review committee,
- (b) the composition of the independent review committee (including the names of its members), and the reasons for any change in its composition since the date of the most recently filed annual information form or prospectus of the investment fund, as applicable,
- (c) that the independent review committee prepares a report at least annually of its activities for securityholders which is available on the [investment fund’s/investment fund family’s] Internet site at [insert investment fund’s Internet site address], or at the securityholder’s request at no cost, by contacting the [investment fund/investment fund family] at [investment fund’s/investment fund family’s email address], and
- (d) the amount of fees and expenses payable in connection with the independent review committee by the investment fund, including any amounts payable for committee participation or special assignments, and state whether the investment fund pays all of the fees payable to the independent review committee.

19.5 Trustee

Under the sub-heading “Trustee”, provide details of the trustee of the investment fund, including the municipality and the province or country where the trustee principally provides its services to the investment fund.

19.6 Custodian

- (1) Under the sub-heading “Custodian”, state the name, municipality of the principal or head office, and nature of business of the custodian and any principal sub-custodian of the investment fund.
- (2) Describe generally the sub-custodial arrangements of the investment fund.

INSTRUCTION:

A "principal sub-custodian" is a sub-custodian to whom custodial authority has been delegated in respect of a material portion or segment of the portfolio assets of the investment fund.

19.7 Auditor

Under the sub-heading "Auditor", state the name and address of the auditor of the investment fund.

19.8 Transfer Agent and Registrar

Under the sub-heading, "Transfer Agent and Registrar", for each class of securities, state the name of the investment fund's transfer agent(s), registrar(s), trustee, or other agent appointed by the investment fund to maintain the securities register and the register of transfers for such securities and indicate the location (by municipalities) of each of the offices of the investment fund or transfer agent, registrar, trustee or other agent where the securities, register and register of transfers are maintained or transfers of securities are recorded.

19.9 Promoters

- (1) For a person or company that is, or has been within the two years immediately preceding the date of the prospectus or pro forma prospectus, a promoter of the investment fund, state under the sub-heading "Promoter"
 - (a) the person or company's name and municipality and the province or country of residence,
 - (b) the number and percentage of each class of voting securities and equity securities of the investment fund beneficially owned, or controlled or directed, directly or indirectly, by the person or company,
 - (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the investment fund, and the nature and amount of any assets, services or other consideration received or to be received by the investment fund or a subsidiary of the investment fund in return, and
 - (d) for an asset acquired within the two years before the date of the preliminary prospectus or pro forma prospectus, or to be acquired, by the investment fund from a promoter,

- (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,
 - (ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the investment fund, the promoter, or an affiliate of the investment fund or of the promoter, and
 - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.
- (2) If a promoter referred to in subsection (1) is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any person or company, that
 - (a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, or
 - (b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer,state the fact and describe the basis on which the order was made and whether the order is still in effect.
- (3) For the purposes of subsection (2), "order" means:
 - (a) a cease trade order,
 - (b) an order similar to a cease trade order, or
 - (c) an order that denied the relevant person or company access to any exemption under securities legislationthat was in effect for a period of more than 30 consecutive days.
- (4) If a promoter referred to in subsection (1)
 - (a) is, as at the date of the prospectus or pro forma prospectus, as applicable, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation

relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact, or

- (b) has, within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.
- (5) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in subsection (1) has been subject to
- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority, or
 - (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.
- (6) Despite subsection (5), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered to be important to a reasonable investor in making an investment decision.

INSTRUCTIONS

- (1) *The disclosure required by subsections (2), (4) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (4), and (5).*
- (2) *A management cease trade order which applies to a promoter referred to in subsection (1) is an "order" for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*
- (3) *For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a "penalty or sanction".*
- (4) *The disclosure in paragraph (2)(a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The investment fund does not have to provide*

disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.

19.10 Principal Distributor

- (1) If applicable, state the name and address of the principal distributor of the investment fund.
- (2) Describe the circumstances under which any agreement with the principal distributor of the investment fund may be terminated and include a brief description of the essential terms of this agreement.

19.11 Securities Lending Agent

- (1) Under the sub-heading "Securities Lending Agent", state the name of each securities lending agent of the investment fund and the municipality of each securities lending agent's principal or head office.
- (2) State whether any securities lending agent of the investment fund is an affiliate or associate of the manager of the investment fund.
- (3) Briefly describe the essential terms of each agreement with each securities lending agent. Include the amount of collateral required to be delivered in connection with a securities lending transaction as a percentage of the market value of the loaned securities, and briefly describe any indemnities provided in, and the termination provisions of, each such agreement.

Item 20: Calculation of Net Asset Value

20.1 Calculation of Net Asset Value

Under the heading "Calculation of Net Asset Value",

- (a) describe how the net asset value of the investment fund is calculated, and
- (b) state the frequency at which the net asset value is calculated and the date and time of day at which it is calculated.

20.2 Valuation Policies and Procedures

Under the sub-heading "Valuation Policies and Procedures of the Investment Fund",

- (a) describe the methods used to value the various types or classes of assets of the investment fund and its liabilities for the purpose of calculating net asset value,
 - (a.1) if the valuation principles and practices established by the manager differ from Canadian GAAP, describe the differences, and

- (b) if the manager has discretion to deviate from the investment fund's valuation practices described in paragraph (a), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three years, provide an example of how it has been exercised or, if it has not been exercised in the past three years, so state.

20.3 Reporting of Net Asset Value

Under the sub-heading "Reporting of Net Asset Value", describe

- (a) how the net asset value and net asset value per security of the investment fund will be made available at no cost (e.g. website, toll-free telephone line, etc.), and
- (b) the frequency at which the net asset value and net asset value per security is disclosed.

Item 21: Description of the Securities Distributed

21.1 Equity Securities

If equity securities of the investment fund are being distributed, under the heading "Attributes of the Securities" and under the sub-heading "Description of the Securities Distributed" state the description or the designation of the class of equity securities distributed and describe all material attributes and characteristics, including

- (a) dividend or distribution rights,
- (b) voting rights,
- (c) rights upon dissolution, termination or winding-up,
- (d) pre-emptive rights,
- (e) conversion or exchange rights,
- (f) redemption, retraction, purchase for cancellation or surrender provisions,
- (g) sinking or purchase fund provisions,
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions, and
- (i) provisions requiring a securityholder to contribute additional capital.

21.2 Debt Securities

If debt securities are being distributed, under the heading "Attributes of the Securities" and under the sub-heading "Description of the Securities Distributed", describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including

- (a) provisions for interest rate, maturity and premium, if any,
- (b) conversion or exchange rights,
- (c) redemption, retraction, purchase for cancellation or surrender provisions,
- (d) sinking or purchase fund provisions,
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge,
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of distributions and restrictions against giving security on the assets of the investment fund, and provisions as to the release or substitution of assets securing the debt securities,
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the investment fund or any of its affiliates, and
- (h) any financial arrangements between the investment fund and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

21.3 Repealed

21.4 Other Securities

If securities other than the securities mentioned above are being distributed, under the heading "Attributes of the Securities" and under the sub-heading "Description of the Securities Distributed", describe fully the material attributes and characteristics of those securities.

21.5 Special Warrants

If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis, disclose that holders of such securities have been provided with a contractual right of rescission and provide the following disclosure in the prospectus, with the bracketed information completed:

"The issuer has granted to each holder of a special warrant a contractual right of rescission of the prospectus-exempt transaction under which the special warrant was initially acquired. The contractual right of rescission provides that if a holder of a special warrant who acquires another security of the issuer on exercise of the special warrant as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder's exercise of its special warrant and the private placement transaction under which the special warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the special warrant, and
- (c) if the holder is a permitted assignee of the interest of the original special warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber."

INSTRUCTION

If the prospectus is qualifying the distribution of securities issued upon the exercise of securities other than special warrants, replace the term "special warrant" with the type of the security being distributed.

21.6 Restricted Securities

- (1) If the investment fund has outstanding, or proposes to distribute under a prospectus, restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of
 - (a) the voting rights attached to the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, and the voting rights, if any, attached to the securities of any other class of securities of the investment fund that are the same as or greater than, on a per security basis, those attached to the restricted securities,
 - (b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted securities,

- (c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the investment fund and to speak at the meetings to the same extent that holders of equity securities are entitled, and
 - (d) how the investment fund complied with, or the basis upon which it was exempt from, the requirements of Part 12 of the Instrument.
- (2) If holders of restricted securities do not have all of the rights referred to in subsection (1), the detailed description referred to in that subsection must include, in boldface type, a statement of the rights the holders do not have.
 - (3) If the investment fund is required to include the disclosure referred to in subsection (1), state the percentage of the aggregate voting rights attached to the investment fund's securities that will be represented by restricted securities after effect has been given to the issuance of the securities being offered.

21.7 Modification of Terms

- (1) Describe provisions about the modification, amendment or variation of any rights attached to the securities being distributed.
- (2) If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

21.8 Ratings

- (1) If the investment fund has asked for and received a credit rating, or if the investment fund is aware that it has received any other kind of rating, including a stability rating or a provisional rating, from one or more credit rating organizations for securities of the investment fund that are outstanding, or will be outstanding, and the rating or ratings continue in effect, disclose
 - (a) each rating received from a credit rating organization;
 - (b) for each rating disclosed under paragraph (a), the name of the credit rating organization that has assigned the rating;
 - (c) a definition or description of the category in which each credit rating organization rated the securities and the relative rank of each rating within the organization's overall classification system;
 - (d) an explanation of what the rating addresses and what attributes, if any, of

the securities are not addressed by the rating;

- (e) any factors or considerations identified by the credit rating organization as giving rise to unusual risks associated with the securities;
 - (f) a statement that a credit rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization; and
 - (g) any announcement made by, or any proposed announcement known to the investment fund that is to be made by, a credit rating organization to the effect that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this section.
- (2) If payments were, or reasonably will be, made to a credit rating organization that provided a rating described in subsection (1), state that fact and state whether any payments were made to the credit rating organization in respect of any other service provided to the investment fund by the credit rating organization during the last two years.

INSTRUCTIONS

There may be factors relating to a security that are not addressed by a credit rating organization when they give a rating. For example, in the case of cash settled derivative instruments, factors in addition to the creditworthiness of the issuer, such as the continued subsistence of the underlying interest or the volatility of the price, value or level of the underlying interest may be reflected in the rating analysis. Rather than being addressed in the rating itself, these factors may be described by a credit rating organization by way of a superscript or other notation to a rating. Any such attributes must be discussed in the disclosure under this section.

A provisional rating received before the investment fund's most recently completed financial year is not required to be disclosed under this section.

21.8 Other Attributes

- (1) If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.
- (2) If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

INSTRUCTION

This section requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the investment fund's discretion, be attached as a schedule to the prospectus.

Item 22: Securityholder Matters

22.1 Meetings of Securityholders

Under the heading "Securityholder Matters" and under the sub-heading "Meetings of Securityholders", describe the circumstances, processes and procedures for holding any securityholder meeting and for any extraordinary resolution.

22.2 Matters Requiring Securityholder Approval

Under the sub-heading "Matters Requiring Securityholder Approval", describe the matters that require securityholder approval.

22.3 Amendments to Declaration of Trust

For an investment fund established pursuant to a declaration of trust, under the sub-heading "Amendments to the Declaration of Trust", describe the circumstances, processes and procedures required to amend the declaration of trust.

22.4 Reporting to Securityholders

Under the sub-heading "Reporting to Securityholders" describe the information or reports that will be delivered or made available to securityholders and the frequency with which such information or reports will be delivered or made available to securityholders, including any requirements under securities legislation.

Item 23: Termination of the Fund

23.1 Termination of the Fund

Under the heading "Termination of the Fund", describe the circumstances in which the investment fund will be terminated, including:

- (a) the date of termination,
- (b) how the value of the securities of the investment fund at termination will be determined,
- (c) whether securityholders will receive cash or any other type of payment upon termination,

- (d) the details of any rollover transaction, if securityholders will receive securities of another investment fund as part of a rollover transaction upon termination,
- (e) how the assets of the investment fund will be distributed upon termination, and
- (f) if the investment fund is a commodity pool, disclose whether the investment fund will be wound up without the approval of securityholders if the net asset value per security falls below a certain predetermined level, and, if so, the net asset value per security at which this will occur.

Item 24: Use of Proceeds

24.1 Application

This Item does not apply to an investment fund in continuous distribution.

24.2 Proceeds

- (1) Under the heading "Use of Proceeds", state the estimated net proceeds to be received by the investment fund or selling securityholder or, in the case of a non-fixed price distribution or a distribution to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the investment fund or selling securityholder from the sale of the securities distributed.
- (2) Describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the net proceeds will be used by the investment fund.
- (3) If the prospectus is used for a special warrant or similar transaction, state the amount that has been received by the issuer of the special warrants or similar securities on the sale of the special warrants or similar securities.

24.3 Other Sources of Funding

If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds.

24.4 Financing by Special Warrants, etc.

- (1) If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or the exercise of other securities acquired on a prospectus-exempt basis, describe the principal purposes for which the proceeds of the prospectus-exempt financing were used or are to be used.
- (2) If all or a portion of the funds have been spent, explain how the funds were spent.

Item 25: Plan of Distribution

25.1 Plan of Distribution

Under the heading "Plan of Distribution", briefly describe the plan of distribution.

25.2 Name of Underwriters

- (1) If the securities are being distributed by an underwriter, state the name of the underwriter and describe briefly the nature of the underwriter's obligation to take up and pay for the securities.
- (2) Disclose the date by which the underwriter is obligated to purchase the securities.

25.3 Disclosure of Conditions to Underwriters' Obligations

If securities are distributed by an underwriter that has agreed to purchase all of the securities at a specified price and the underwriter's obligations are subject to conditions,

- (a) include a statement in substantially the following form, with the bracketed information completed and with modifications necessary to reflect the terms of the distribution:

"Under an agreement dated [insert date of agreement] between [insert name of investment fund or selling securityholder] and [insert name(s) of underwriter(s)], as underwriter[s], [insert name of investment fund or selling securityholder] has agreed to sell and the underwriter[s] [has/have] agreed to purchase on [insert closing date] the securities at a price of [insert offering price], payable in cash to [insert name of investment fund or selling securityholder] against delivery. The obligations of the underwriter[s] under the agreement may be terminated at [its/their] discretion on the basis of [its/their] assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter[s] [is/are], however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement.", and

- (b) describe any other conditions and indicate any information known that is relevant to whether such conditions will be satisfied.

25.4 Best Efforts Offering

Outline briefly the plan of distribution of any securities being distributed other than on the basis described in section 25.3.

25.5 Minimum Distribution

If securities are being distributed on a best efforts basis and minimum funds are to be raised, state

- (a) the minimum funds to be raised,
- (b) that the investment fund must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practising member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in paragraph (a) has been raised, and
- (c) that if the minimum amount of funds is not raised within the distribution period, the trustee must return the funds to the subscribers without any deductions.

25.6 Determination of Price

Disclose the method by which the distribution price has been or will be determined and, if estimates have been provided, explain the process of determining the estimates.

25.7 Stabilization

If the investment fund, a selling securityholder or an underwriter knows or has reason to believe that there is an intention to over-allot or that the price of any security may be stabilized to facilitate the distribution of the securities, describe the nature of these transactions, including the anticipated size of any over-allocation position, and explain how the transactions are expected to affect the price of the securities.

25.8 Reduced Price Distributions

If the underwriter may decrease the offering price after the underwriter has made a reasonable effort to sell all of the securities at the initial offering price disclosed in the prospectus in accordance with the procedures permitted by the Instrument and NI 81-102, disclose this fact and that the compensation realised by the underwriter will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriter to the investment fund or selling securityholder.

25.9 Listing Application

If application has been made to list or quote the securities being distributed, include a statement, in substantially the following form, with the bracketed information completed:

"The investment fund has applied to [list/quote] the securities distributed under this prospectus on [name of exchange or other market]. [Listing/Quotation] will be subject to the investment fund fulfilling all the listing requirements of [name of exchange or other market]."

25.10 Conditional Listing Approval

If application has been made to list or quote the securities being distributed on an exchange or marketplace and conditional listing approval has been received, include a statement, in substantially the following form, with the bracketed information completed:

"[name of exchange or marketplace] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of investment fund]'s fulfilling all of the requirements of the [name of exchange or marketplace] on or before [date], [including distribution of these securities to a minimum number of public securityholders]."

25.11 Constraints

If there are constraints imposed on the ownership of securities of the investment fund to ensure that the investment fund has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities of the investment fund will be monitored and maintained.

25.12 Special Warrants Acquired by Underwriters or Agents

Disclose the number and dollar value of any special warrants acquired by any underwriter or agent and the percentage of the distribution represented by those special warrants.

Item 26: Relationship Between Investment Fund or Selling Securityholder and Underwriter

26.1 Relationship Between Investment Fund or Selling Securityholder and Underwriter

- (1) Under the heading "Relationship between Investment Fund [or Selling Securityholder] and Underwriter", if the investment fund or selling securityholder is a connected issuer or related issuer of an underwriter of the distribution, or if the selling securityholder is also an underwriter, comply with the requirements of NI 33-105.
- (2) For the purposes of subsection (1), "connected issuer" and "related issuer" have the same meanings as in NI 33-105.

Item 27: REPEALED

Item 28: Principal Holders of Securities of the Investment Fund and Selling Securityholders

28.1 Principal Holders of Securities of the Investment Fund and Selling Securityholders

- (1) Under the heading “Principal Holders of Securities of the Investment Fund [and Selling Securityholders]”, provide the following information for each principal securityholder of the investment fund if known or if ought to be known by the investment fund or the manager and, if any securities are being distributed for the account of a securityholder, for each selling securityholder, as of a specified date not more than 30 days before the date of the prospectus or pro forma prospectus, as applicable:
 - (a) the name,
 - (b) the number or amount of securities owned, controlled or directed of the class being distributed,
 - (c) the number or amount of securities of the class being distributed for the account of the securityholder,
 - (d) the number or amount of securities of the investment fund of any class to be owned, controlled or directed after the distribution, and the percentage that number or amount represents of the total outstanding, and
 - (e) whether the securities referred to in paragraphs (b), (c) or (d) are owned both of record and beneficially, of record only, or beneficially only.
- (2) If securities are being distributed in connection with a restructuring transaction, indicate, to the extent known, the holdings of each person or company described in paragraph (1)(a) that will exist after effect has been given to the transaction.
- (3) If any of the securities being distributed are being distributed for the account of a securityholder and those securities were purchased by the selling securityholder within the two years preceding the date of the prospectus or pro forma prospectus, as applicable, state the date the selling securityholder acquired the securities and, if the securities were acquired in the 12 months preceding the date of the prospectus or pro forma prospectus, as applicable, the cost to the securityholder in the aggregate and on an average cost-per-security basis.
- (4) If, to the knowledge of the investment fund or the underwriter of the securities being distributed, more than 10 percent of any class of voting securities of the investment fund is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement

and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

- (5) If, to the knowledge of the investment fund or the underwriter of the securities being distributed, any principal securityholder or selling securityholder is an associate or affiliate of another person or company named as a principal securityholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the investment fund held by the person or company other than the holding of voting securities of the investment fund.
- (6) In addition to the above, include in a footnote to the table the required calculation(s) on a fully-diluted basis.
- (7) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTION

If a company, partnership, trust or other unincorporated entity is a principal securityholder of an investment fund, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of the company, trust or other unincorporated entity, or membership in the partnership, as the case may be, is a principal securityholder of that entity.

Item 29: Interests of Management and Others in Material Transactions

29.1 Interests of Management and Others in Material Transactions

Under the heading "Interests of Management and Others in Material Transactions", describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the prospectus or pro forma prospectus that has materially affected or is reasonably expected to materially affect the investment fund:

- (a) a director or executive officer of the investment fund or the investment fund manager,
- (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of the outstanding voting securities of the investment fund or the investment fund manager, and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

29.2 Underwriting Discounts

Disclose any material underwriting discounts or commissions upon the sale of securities by the investment fund if any of the persons or companies listed under section 29.1 were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.

INSTRUCTIONS

- (1) *The materiality of an interest is to be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are among the factors to be considered in determining the significance of the information to investors.*
- (2) *Give a brief description of the material transaction. Include the name of each person or company whose interest in any transaction is described and the nature of the relationship to the investment fund.*
- (3) *For any transaction involving the purchase of assets by or sale of assets to the investment fund, state the cost of the assets to the purchaser, and the cost of the assets to the seller if acquired by the seller within three years before the transaction.*
- (4) *This Item does not apply to any interest arising from the ownership of securities of the investment fund if the securityholder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities or all other holders of the same class of securities who are resident in Canada.*
- (5) *No information need be given under this Item for a transaction if*
 - (a) *the rates or charges involved in the transaction are fixed by law or determined by competitive bids,*
 - (b) *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,*
 - (c) *the transaction involves services as a bank or other depository of funds, a transfer agent, registrar, trustee under a trust indenture or other similar services, or*
 - (d) *the transaction does not involve remuneration for services and the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than ten percent of any class of equity securities of another company that is party to the transaction and the transaction is in the ordinary course of business of the investment fund.*

- (6) *Describe all transactions not excluded above that involve remuneration (including an issuance of securities), directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person or company arises solely from the beneficial ownership, direct or indirect, of less than ten percent of any class of equity securities of another company furnishing the services to the investment fund.*

Item 30: Proxy Voting Disclosure

30.1 Proxy Voting Disclosure for Portfolio Securities Held

Under the heading "Proxy Voting Disclosure for Portfolio Securities Held", include the disclosure required by subsection 10.2(3) of NI 81-106.

Item 31: Material Contracts

31.1 Material Contracts

Under the heading "Material Contracts", list and provide particulars of

- (a) the articles of incorporation, the declaration of trust or trust agreement of the investment fund or any other constating document, if any,
- (b) any agreement of the investment fund or trustee with the manager of the investment fund,
- (c) any agreement of the investment fund, the manager or trustee with the portfolio adviser of the investment fund,
- (d) any agreement of the investment fund, the manager or trustee with the custodian of the investment fund,
- (e) any agreement of the investment fund, the manager or trustee with the underwriters or agents of the investment fund,
- (f) any swap or forward agreement of the investment fund, the manager or trustee with a counterparty that is material to the investment fund fulfilling its investment objectives,
- (g) any agreement of the investment fund, the manager or trustee with the principal distributor of the investment fund, and
- (h) any other contract or agreement that can reasonably be regarded as material to an investor in the securities of the investment fund.

INSTRUCTIONS

- (1) *Set out a complete list of all contracts for which particulars must be given under this section, indicating those that are disclosed elsewhere in the prospectus. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the prospectus.*
- (2) *Particulars of contracts must include the dates of, parties to, consideration provided for in, termination provisions, general nature and key terms of, the contracts.*

Item 32: Legal and Administrative Proceedings

32.1 Legal and Administrative Proceedings

Under the heading “Legal and Administrative Proceedings”, describe briefly any ongoing legal and administrative proceedings material to the investment fund, to which the investment fund, its manager or principal distributor is a party.

32.2 Particulars of the Proceedings

- (1) For all matters disclosed under section 32.1, disclose
 - (a) the name of the court or agency having jurisdiction,
 - (b) the date on which the proceeding was instituted,
 - (c) the principal parties to the proceeding,
 - (d) the nature of the proceeding and, if applicable, the amount claimed, and
 - (e) whether the proceeding is being contested and the present status of the proceeding.
- (2) Provide similar disclosure about any proceedings known to be contemplated.

32.3 Penalties and Sanctions

Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of any settlement agreement and the circumstances that gave rise to the settlement agreement, if, within the 10 years before the date of the prospectus or pro forma prospectus, the manager of the investment fund, a director or executive officer of the investment fund or a partner, director or executive officer of the manager of the investment fund has

- (a) been subject to any penalties or sanctions imposed by a court or a securities regulatory authority relating to Canadian securities legislation, promotion or

management of an investment fund, theft or fraud or has entered into a settlement agreement before a court or with a regulatory body in relation to any of these matters, or

- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or has entered into any other settlement agreement before a court or with a regulatory body that would likely be considered important to a reasonable investor in determining whether to purchase securities of the investment fund.

Item 33: Experts

33.1 Names of Experts

Under the heading "Experts", name each person or company

- (a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or an amendment to the prospectus, and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

33.2 Interests of Experts

- (1) Disclose all registered or beneficial interests, direct or indirect, in any securities or other property of the investment fund or of an associate or affiliate of the investment fund received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the prospectus or prepared or certified a report or valuation described or included in the prospectus.
- (2) For the purpose of subsection (1), if the ownership is less than one percent, a general statement to that effect is sufficient.
- (3) If a person, or a director, officer or employee of a person or company referred to in subsection (1) is or is expected to be elected, appointed or employed as a director, officer or employee of the investment fund or of any associate or affiliate of the investment fund, disclose the fact or expectation.
- (4) Despite subsection (1), an auditor who is independent in accordance with the auditor's rules of professional conduct in a jurisdiction of Canada or has performed an audit in accordance with US GAAS is not required to provide the disclosure in subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor's rules of professional conduct in a jurisdiction of Canada or that the auditor has complied with the SEC's rules on auditor independence.

INSTRUCTIONS

- (1) *Section 33.2 does not apply to the investment fund's predecessor auditors, if any, for those periods when they were not the investment fund's auditor.*
- (2) *Section 33.2 does not apply to registered or beneficial interests, direct or indirect, held through mutual funds.*

Item 34: Exemptions and Approvals

34.1 Exemptions and Approvals

Under the heading "Exemptions and Approvals", describe all exemptions from or approvals under securities legislation obtained by the investment fund or the manager of the investment fund that continue to be relied upon by the investment fund or the manager, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 19.3 of the Instrument.

Item 35: Other Material Facts

35.1 Other Material Facts

Under the heading "Other Material Facts", using sub-headings as appropriate, give particulars of any material facts about the securities being distributed that are not disclosed under any other section and are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

Item 36: Purchasers' Statutory Rights of Withdrawal and Rescission

36.1 General

For investment funds other than mutual funds, under the heading "Purchasers' Statutory Rights of Withdrawal and Rescission" include a statement in substantially the following form, with bracketed information completed:

"Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. [In several of the provinces/provinces and territories], [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [, revisions of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province [or

territory]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province [or territory] for the particulars of these rights or consult with a legal adviser."

36.2 Mutual Funds

If the investment fund is a mutual fund, under the heading "Purchasers' Statutory Rights of Withdrawal and Rescission" include a statement in substantially the following form:

"Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities within two business days after receipt of a prospectus and any amendment or within 48 hours after the receipt of a confirmation of a purchase of such securities. 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/provinces and territories], [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [, revisions of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province [or territory]. The purchaser should refer to the applicable provisions of the securities legislation of the province [or territory] for the particulars of these rights or should consult with a legal adviser."

36.3 Non-fixed Price Offerings

In the case of a non-fixed price offering, if applicable in the jurisdiction in which the prospectus is filed, replace the second sentence in the disclosure in section 36.1 with a statement in substantially the following form:

"This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed."

Item 37: Documents Incorporated by Reference

37.1 Mandatory Incorporation by Reference

If the investment fund is in continuous distribution, incorporate by reference the following documents in the prospectus, by means of the following statement in substantially the following words under the heading "Documents Incorporated by Reference":

"Additional information about the Fund is available in the following documents:

1. The most recently filed comparative annual financial statements of the investment fund, together with the accompanying report of the auditor.
2. Any interim financial report of the investment fund filed after those annual financial statements.
3. The most recently filed annual management report of fund performance of the investment fund.
4. Any interim management report of fund performance of the investment fund filed after that annual management report of fund performance.

These documents are incorporated by reference into the prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request, and at no cost, by calling [toll-free/collect] [insert the toll-free telephone number or telephone number where collect calls are accepted] or from your dealer.

[If applicable] These documents are available on the [investment fund's/investment fund family's] Internet site at [insert investment fund's Internet site address], or by contacting the [investment fund/investment fund family] at [insert investment fund's /investment fund family's email address].

These documents and other information about the Fund are available on the Internet at www.sedar.com."

37.2 Mandatory Incorporation by Reference of Future Documents

If the investment fund is in continuous distribution, state that any documents, of the type described in section 37.1, if filed by the investment fund after the date of the prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the prospectus.

Item 38: Financial Disclosure

38.1 Financial Statements

- (1) Unless incorporated by reference under Item 37, include in the prospectus the comparative annual financial statements and the auditor's report prepared in accordance with NI 81-106 for the investment fund's most recently completed financial year.

- (2) If an investment fund's most recent financial year ended within 90 days of the date of the prospectus referred to in subsection (1), the investment fund may treat the previous year as the most recently completed financial year under subsection (1).
- (3) If the investment fund has not completed its first financial year, the fund must include in the prospectus audited financial statements and the auditor's report prepared in accordance with NI 81-106 for the period from the date of the fund's formation to a date not more than 90 days before the date of the prospectus and as at a date not more than 90 days before the date of the prospectus, as applicable.
- (4) Despite subsections (1) and (3), if the investment fund is a newly established fund, include in the prospectus the opening statement of financial position of the investment fund, accompanied by the auditor's report prepared in accordance with NI 81-106.

38.2 Interim Financial Reports

Unless incorporated by reference under Item 37, include in the prospectus financial statements for the investment fund prepared in accordance with NI 81-106 for the interim period that began immediately after the financial year to which the annual financial statements required to be included in the prospectus under section 38.1 relate, if the prospectus is filed 60 days or more after the end of that interim period.

38.3 Management Reports of Fund Performance

Unless incorporated by reference under Item 37, include in the prospectus the most recently filed interim management report of fund performance, if filed after the most recently filed annual management report of fund performance and include the most recently filed annual management report of fund performance.

Item 39: Certificates

39.1 Certificate of the Investment Fund

Include a certificate of the investment fund in the following form:

"This prospectus [,together with the documents incorporated herein by reference,] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified]."

39.2 Certificate of the Manager

Include a certificate of the manager of the investment fund in the same form as the certificate of the investment fund.

39.3 Certificate of the Underwriter

Where a person or company is required to provide a certificate in the underwriter certificate form, the certificate must state:

“To the best of our knowledge, information and belief, this prospectus [together with the documents incorporated herein by reference,] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified].”

39.4 Certificate of the Promoter

If there is a promoter of the investment fund, include a certificate in the same form as the certificate of the investment fund.

39.5 Amendments

- (1) For an amendment to a prospectus that does not restate the prospectus, change “prospectus” to “prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 39.1 to 39.4.
- (2) For an amended and restated prospectus, change “prospectus” to “amended and restated prospectus” wherever it appears in the statements in sections 39.1 to 39.4.

39.6 Non-offering Prospectus

For a non-offering prospectus, change “securities offered by this prospectus” to “securities previously issued by the investment fund” wherever it appears in the statements in sections 39.1 to 39.4.

Form 41-101F3
Information Required in a Scholarship Plan Prospectus

General Instructions

- (1) *This Form describes the disclosure required in a scholarship plan prospectus. Each Item of this Form outlines disclosure requirements. Instructions as to how to complete this Form are printed in italic type.*
- (2) *The objective of the scholarship plan prospectus is to provide information about the scholarship plan that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed.*
- (3) *Terms defined in National Instrument 14-101 Definitions, National Instrument 41-101 General Prospectus Requirements, National Instrument 81-105 Mutual Fund Sales Practices, National Instrument 81-106 Investment Fund Continuous Disclosure or National Instrument 81-107 Independent Review Committee for Investment Funds and used in this Form have the same meanings that they have in those national instruments except that references in those instruments to “mutual fund” must be read as references to “investment fund” or “scholarship plan” as the context requires.*
- (4) *A scholarship plan prospectus must contain only the information that is mandated or permitted under this Form.*
- (5) *A scholarship plan prospectus must present the information in each Part of this Form briefly and concisely, in the order provided for by this Form, and use only the headings and sub-headings stipulated in this Form except that sub-headings not required by this Form may be used where permitted under an Item in this Form.*
- (6) *Specific instructions are sometimes provided in this Form for a single prospectus and a multiple prospectus. Portions of Part B and Part D of this Form generally refer to disclosure required for “a scholarship plan” in a “prospectus”. This disclosure must be modified as appropriate to reflect multiple scholarship plans covered by a multiple prospectus.*
- (7) *National Instrument 41-101 requires that a prospectus be prepared using plain language and in a format that assists in readability and comprehension. For additional guidance, see the plain language principles listed in section 4.1 of Companion Policy 41-101 CP General Prospectus Requirements. If the use of technical terms is required, clear and concise explanations of those terms must be included.*

- (8) Respond as simply and directly to the requirements of this Form as is reasonably possible.
- (9) No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.
- (10) Certain Items in this Form require that a prospectus include wording that is the same or substantially the same as set out in those Items. A scholarship plan may modify the prescribed wording to more accurately reflect its features if the wording does not apply to the plan.
- (11) Unless otherwise stated, this Form does not mandate the use of a specific font size or style but the font used must be legible. If the prospectus is made available online, information must be presented in a way that is both readable online and can be printed in a readable format.
- (12) A prospectus may contain photographs and artwork only if they are relevant to the business of the scholarship plan or members of the organization of the scholarship plan and are not misleading.
- (13) A prospectus must not contain design elements (e.g., graphics, photos, artwork) that would, to a reasonable person, detract from the information disclosed in the document.
- (14) If disclosure is required as of a specific date and there has been a material change or a change that is otherwise significant to a reasonable investor to the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change.

Contents of a Scholarship Plan Prospectus

- (15) This Form permits two formats: a prospectus for a single scholarship plan and a multiple prospectus for multiple scholarship plans.
- (16) A scholarship plan prospectus must consist of four parts as set out below. Part A is the Plan Summary. Parts B, C and D are collectively the Detailed Plan Disclosure. The Plan Summary and the Detailed Plan Disclosure together form the scholarship plan prospectus. The four parts may be further described as follows:
 - (a) Part A contains the responses to the Items in Part A of this Form. The information in this Part contains a summary of key information about investing in a scholarship plan.
 - (b) Part B contains the responses to the Items in Part B of this Form and contains introductory information about the scholarship plan and general information about the scholarship plan family.

- (c) Part C contains the responses to the Items in Part C of the Form and contains plan-specific information about the scholarship plan(s) offered in the prospectus.
- (d) Part D contains the responses to the Items in Part D of this Form and contains information about the scholarship plan organization, the persons and entities involved in running the scholarship plan, and the prospectus certificates.

Consolidation of Scholarship Plan Prospectuses into a Multiple Prospectus

- (17) Section 3A.2 of National Instrument 41-101 requires that a scholarship plan prospectus must not be consolidated with one or more scholarship plan prospectuses to form a multiple prospectus unless the disclosure in each of the Part B and Part D sections of this Form is substantially similar for each scholarship plan. This provision permits a scholarship plan organization to create a document that contains the disclosure for a number of scholarship plans in the same family.
- (18) Similar to a single prospectus, a multiple prospectus must consist of four segments:
 - (a) The first segment consists of a number of Part A sections of this Form. Each Part A section must contain the information required under Part A of this Form about a single scholarship plan. The information required by the Part A section must be disclosed separately for each scholarship plan in the multiple prospectus. Each Part A section in a multiple prospectus must start on a new page.
 - (b) The second segment contains the information required under Part B of this Form for the scholarship plans described in the document. There must not be more than one Part B section for all of the scholarship plans in the prospectus.
 - (c) The third segment consists of a number of Part C sections of this Form. Each Part C section must contain the information required under Part C of this Form about a single scholarship plan. The information required by the Part C section must be disclosed separately for each scholarship plan in the multiple prospectus. Each Part C section in a multiple prospectus must start on a new page.
 - (d) The fourth segment contains the information required under Part D of the Form for the scholarship plans described in the document. There must not be more than one Part D section for all of the scholarship plans in the prospectus.

Part A — Plan Summary for a Scholarship Plan

Item 1 — Information about the Plan

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

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

INSTRUCTIONS

- (1) *The title “Plan Summary” and the name of the scholarship plan must be in bold type using a substantially larger font size than the other headings and text in the Plan Summary.*
- (2) *The “type of scholarship plan” refers to whether the scholarship plan is a group scholarship plan, individual or family scholarship plan.*
- (3) *The date for a Plan Summary that is filed as part of a preliminary scholarship plan prospectus or scholarship plan prospectus must be the date of the certificate of the scholarship plan required under Part D of this Form.*

Item 2 – Withdrawal and Cancellation Rights

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

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

If you change your mind

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

If you (or we) cancel your plan after 60 days, you’ll get back your contributions, less sales charges and fees. You will lose the earnings on your money. Your government grants will be returned to the government. **Keep in mind that you pay**

sales charges up front. If you cancel your plan in the first few years, you could end up with much less than you put in.

INSTRUCTION

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

Item 3 – Description of the Scholarship Plan

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

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

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

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

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

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

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

INSTRUCTION

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

Item 4 – Suitability

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

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

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

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

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

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

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

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

Item 5 – The Plan’s Investments

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

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

INSTRUCTION

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

Item 6 – Contributions

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

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

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

- (2) For an individual or family scholarship plan, under the heading “How do I make contributions?”, briefly describe how a subscriber can make contributions to their scholarship plan.
- (3) State (i) the minimum total investment and (ii) the minimum amount per contribution, permitted under the scholarship plan’s rules.

INSTRUCTIONS

- (1) *The disclosure regarding contribution frequency options in the first paragraph of subsection (1) of Item 6 must make reference only to the most commonly selected contribution options, and not to each contribution option that is available to a subscriber.*
- (2) *If the individual or family scholarship plan uses the concept of “units” or has prescribed schedules for making contributions, this fact must be described in the*

required disclosure for subsection (2) of Item 6, using wording that is similar to the wording in subsection (1) of Item 6.

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

Item 7 – Payments

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

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

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

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

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

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

EAPs are taxed in the child’s hands.

INSTRUCTIONS

- (1) If the group scholarship plan has multiple options for paying EAPs, disclose the other options in the disclosure in subsection (2) of Item 7, using a similar format.
- (2) For the disclosure in subsection (3) of Item 7, the format set out for the disclosure in section (2) must be used.

Item 8 – Risks

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

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

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

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

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

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

3. **You miss or your child misses a deadline.** This can limit your options later on. You could also lose the earnings on your investment. Two of the key deadlines for this plan are:
 - **Maturity date – the deadline for making changes to your plan**
You have until the maturity date to make changes to your plan. This includes switching the plan to a different child, changing the maturity date if your child wants to start their program sooner or later than expected, and transferring to another RESP. Restrictions and fees apply.
 - **[Insert date] - the EAP application deadline**
If your child qualifies for an EAP, he or she must apply by *[insert date]* before each year of eligible studies to receive a payment for that year. Otherwise, your child may lose this money.
4. **Your child doesn't go to a qualifying school or program.** For example, *[State the types of programs or institutions that generally do not qualify for EAPs under the plan]* don't qualify for EAPs under this plan. *[Insert, if applicable -Under this plan, fewer programs will qualify for an EAP than would otherwise qualify under the government's rules for RESPs. See the Detailed Plan Disclosure for more information.]* If your child will not be

going to a qualifying school or program under this plan, you have the option to name another child as beneficiary, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options can result in a loss of earnings and government grants.

5. **Your child doesn't complete their program.** Your child may lose some or all of their EAPs if he or she takes time off from their studies, does not complete all required courses in a year or changes programs. *[Insert if applicable - In some cases, your child may be able to defer an EAP for up to [insert number of years] year[s]]. [Insert, if applicable - Deferrals are at our discretion.]*
- (3) For an individual or family scholarship plan, list no more than 5 situations that could result in a loss of earnings in the scholarship plan for subscribers or EAPs for the beneficiary. Briefly describe the losses that could result in these outcomes as well as some options to mitigate this loss.
- (4) State the following, in bold type:

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

INSTRUCTIONS

- (1) *For an individual or family scholarship plan, the disclosure required in subsection (3) of Item 8 must include the following situations: a subscriber leaving a scholarship plan before it matures, a beneficiary failing to enrol in a qualifying school or program, and the subscriber or beneficiary failing to meet the scholarship plan's key deadlines.*
- (2) *If the individual or family scholarship plan uses the concept of units paid for under a fixed contribution schedule, or otherwise requires subscribers to follow a prescribed schedule for making contributions to the scholarship plan, the disclosure required in subsection (3) of Item 8 must also include a situation in which a subscriber misses one or more contributions.*
- (3) *The disclosure in subsection (3) of Item 8 must use a similar format and structure as the disclosure required for group scholarship plans in section (2).*

Item 9 – Cancellation Rate

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

Cancellation Rate

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

INSTRUCTIONS

- (1) To calculate the average percentage as required under Item 9, do the following:
 - (a) for each of the last five beneficiary groups in the group scholarship plan to reach maturity, calculate the percentage of scholarship plans in the beneficiary group that were cancelled before their maturity date, and
 - (b) calculate the simple average of the five percentages calculated pursuant to Instruction 1(a).
- (2) For a beneficiary group referred to in Instruction (1)(a), calculate the percentage of the scholarship plans in each beneficiary group that were cancelled before their maturity date by dividing x by y , where
 - x = the number of scholarship plans with the same maturity date that were cancelled before maturity, and
 - y = the total number of scholarship plans with the same maturity date, including plans with the same maturity date that were cancelled before maturity.
- (3) For the purposes of the disclosure required under Item 9, a "plan that was cancelled before maturity" is a scholarship plan that is not eligible to receive a share of the EAP account as at the maturity date because the total contributions required by the subscriber's contract have not been made by the maturity date. The number of scholarship plans with the same maturity date that did not reach maturity will be the difference between the total number of scholarship plans with the same maturity date and the number of scholarship plans that matured.
- (4) Subject to Instruction (6), the number of scholarship plans with the same maturity date consists of every scholarship plan sold to subscribers who selected the same maturity date, including scholarship plans that were cancelled or transferred before maturity.
- (5) For the purposes of calculating the percentage of scholarship plans in a beneficiary group that were cancelled before maturity, a scholarship plan whose subscriber changed the maturity date to an earlier date is considered to have the earlier maturity date and must be included in the calculations for the beneficiary group with the earlier maturity date. Similarly, a scholarship plan whose subscriber changed the maturity date to a later date is considered to

have the later maturity date and must be included in the calculations for the beneficiary group with the later maturity date.

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

Item 10 – Costs

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

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

Fees you pay

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

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

Fees the plan pays

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

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

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

Paying off the sales charge

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

- (3) Using the margin of the page adjacent to the table titled "Fees the plan pays", add a sidebar under the heading "How much does it cost?", and state the

following using the same or substantially similar wording with the title of the sidebar in bold:

Other fees

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

INSTRUCTIONS

- (1) *The tables must only summarize the most common fees that (i) all subscribers to the scholarship plan are required to pay or (ii) the scholarship plan is required to pay, as applicable. Do not include the entire list of fees required to be disclosed under Items 14.2 and 14.3 of Part C of the Form, or any of the fees required to be disclosed under Item 14.4 and 14.5 of Part C of the Form. Each fee must be listed in a separate row of the applicable table.*
- (2) *If there are certain types of fees listed in the tables required under Item 10 above that are not payable, either by subscribers or the scholarship plan, in respect of the scholarship plan described in the Plan Summary, amend the tables as is necessary to reflect that fact.*
- (3) *If certain fees listed in the tables required under Item 10 above are normally combined into a single fee payable by either the subscriber or the scholarship plan as applicable, the tables may be amended as is necessary to accurately reflect that fact.*
- (4) *State the amount of each fee listed in the tables. In the table titled "Fees you pay" state the amount(s) in the column titled "What you pay". In the table titled "Fees the plan pays" state the amount(s) in the column titled "What the plan pays". The amount of each fee must be disclosed based on how the fee is calculated. For example, if a particular fee is calculated as a fixed dollar amount per unit, or a fixed amount per year, it must be stated as such. Similarly, if a fee is calculated as a percentage of the scholarship plan's assets, that percentage must be stated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.*
- (5) *For a group scholarship plan or other type of scholarship plan that normally calculates the sales charge payable as a fixed dollar amount linked to the amount of contribution by a subscriber (i.e. x.x x\$ per unit), in addition to stating the fixed amount of sales charge per unit as required under Instruction (3), the disclosure of the amount of the sales charge in the table titled "Fees you pay" in the column titled "What you pay" must also be expressed as a percentage of the cost of a unit of the scholarship plan. If the total cost of a unit of the scholarship plan varies depending on the contribution option or frequency selected, the percentage sales charge must be expressed as a range, between the lowest and the highest percentage of the unit cost the sales charge can*

represent, based on the different contribution options available to subscribers under the scholarship plan. This must be calculated as follows: (i) divide the sales charge per unit by the contribution option that has the highest total cost per unit, and (ii) divide the sales charge per unit by the contribution option that has the lowest total cost per unit. For example, if a scholarship plan calculates its sales charge as \$200/unit, and the total cost per unit for a subscriber can range from \$1000 to \$5000 (based on the different options available to subscribers), the percentage range of the sales charge disclosed in the table would be 4% (200/5000) to 20% (200/1000). The disclosure in the table must also state that the exact percentage of the sales charge per unit for a subscriber will depend on the contribution option selected for contributing to the scholarship plan and how old their beneficiary is at the time they open the scholarship plan.

- (6) For the table titled "Fees you pay", in the column titled "What you pay" describe how the fee is deducted from contributions if the amount deducted from each contribution is not the same. For example, if deductions for sales charges are not made from each contribution at a constant rate for the duration of a subscriber's investment in the scholarship plan or the duration for which contributions are required to be made if it is less than the scholarship plan's duration, describe the amounts from contributions that are deducted for sales charges.
- (7) In both tables, in the column titled "What the fee is for" provide a concise explanation of what the fee is used for, using the same or substantially similar wording provided above in the tables.
- (8) In both tables, in the column titled "Who the fee is paid to", state the name of the entity to which the fee is paid, e.g. the investment fund manager, the portfolio manager, the principal distributor or dealer, the foundation, etc.
- (9) For the table titled "Fees the plan pays", the independent review committee fee must be disclosed as the total dollar amount paid in connection with the independent review committee for the most recently completed financial year of the scholarship plan.
- (10) Disclosure of insurance premiums in the "Fees you pay" table is permitted only if the scholarship plan requires a subscriber to purchase insurance coverage in a jurisdiction in which the scholarship plan's securities are being distributed. If the scholarship plan's rules only require insurance coverage to be purchased by subscribers in some, but not all jurisdictions in which the scholarship plan's securities are distributed, then include disclosure stating the jurisdictions in which the scholarship plan requires subscribers to purchase insurance, under the heading titled "What the fee is for" in that table.
- (11) The disclosure required under subsection (2) of Item 10 must be based on the following assumptions: (i) the beneficiary is a newborn, (ii) the subscriber is purchasing one unit of the scholarship plan, (iii) the subscriber has agreed to a monthly contribution schedule with contributions payable until the scholarship

plan's maturity date, and (iv) all of the mandatory fees that are normally deducted from a subscriber's contributions are deducted during the relevant period.

- (12) *For the disclosure required in subsection (2) of Item 10, if the scholarship plan does not offer units but uses a similar method for deducting sales charges as is described under subsection (2) of Item 10, the wording may be amended as is necessary to properly reflect the scholarship plan's features.*
- (13) *The "Other fees" sidebar required under subsection (3) of Item 10 refers to fees for specific transactions, such as changing a beneficiary, that are described in the table titled "Transaction Fees" in Item 14.4 of Part C of the Form.*

Item 11 – Guarantees

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

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

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

Item 12 – For More Information

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

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

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

Part B — Detailed Plan Disclosure - General Information

Item 1 — Cover Page Disclosure

1.1 — Preliminary Prospectus Disclosure

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

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

INSTRUCTION

A scholarship plan must complete the bracketed information by:

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

1.2 — Required Statement

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

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

1.3 — Basic Disclosure about the Distribution

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

*[Insert as applicable - PRELIMINARY/ PRO FORMA] PROSPECTUS
CONTINUOUS OFFERING
DETAILED PLAN DISCLOSURE
[Insert Date]*

[Insert Name of Scholarship Plan(s)]

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

- (2) State the following:

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

INSTRUCTION

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

Item 2 — Inside Cover Page

2.1 — Introduction

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

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

2.2 — No Social Insurance Number

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

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

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

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

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

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

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

INSTRUCTIONS

- (1) *State the maximum number of months after the application date of a subscriber's plan the following which the investment fund manager will cancel the scholarship plan for failure to provide the social insurance numbers required for registering the scholarship plan as an RESP.*
- (2) *f the scholarship plan's rules do not permit a subscriber to open the plan or accept contributions without the beneficiary's social insurance number, amend the disclosure in this section to reflect that fact.*

2.3 — Payments Not Guaranteed

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

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

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

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

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

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

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

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

2.4 — Withdrawal and Cancellation Rights

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

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

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

Item 3 — Table of Contents

3.1 — Table of Contents

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

Item 4 — Introduction and Glossary

4.1 — Introduction and Documents Incorporated by Reference

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

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

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

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

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

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

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

These documents and other information about the plan[s] are also available at www.sedar.com.

- (2) State that any documents of the type described in subsection 4.1(1) above, if filed by the scholarship plan after the date of the prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the prospectus.
- (3) Include a description of each of the documents referred to in subsection 4.1(1) above and briefly explain the importance each document.

4.2 — Terms Used in the Prospectus

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

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

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

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

AIP: see **Accumulated income payment**.

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

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

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

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

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

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

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

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

EAP: see **Educational Assistance Payment**.

EAP account: for group plans, an account that holds the income earned on contributions made by subscribers. There is a separate EAP account for each beneficiary group. An EAP account includes the income earned on contributions of subscribers who have cancelled their plan or whose plan was cancelled by us.

The money in this account is distributed to the remaining beneficiaries in the beneficiary group as part of their EAPs.

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

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

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

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

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

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

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

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

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

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

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

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

Year of eligibility: the year in which a beneficiary is first eligible to receive EAPs under a plan. For a group plan, it is typically the year the beneficiary will enter his or her [*insert as applicable - first or second*] academic year of eligible studies. In general, the year of eligibility is [*insert as applicable - one year after/ the same year as*] the maturity date. For other types of plans, the year of eligibility can be any time after the maturity date.

INSTRUCTIONS

- (1) *The list of defined terms must not contain material information not found elsewhere in the prospectus. The glossary must be limited to the terms provided.*
- (2) *Use the terms set out in section 4.2 in the prospectus to facilitate comparability between scholarship plans.*
- (3) *Include only the terms that are applicable to a scholarship plan included in the prospectus. For example, a prospectus that does not include a group scholarship plan must not include those terms that would be applicable only to a group scholarship plan.*

Item 5 — Overview of Scholarship Plans

5.1 — Introductory Heading

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

5.2 — Description of Scholarship Plans

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

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

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

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

5.3 — List of Scholarship Plans Offered

- (1) If the investment fund manager offers more than one type of scholarship plan, under the heading “Types of plans we offer”, list the scholarship plans offered.
- (2) State, as applicable, that there are differences in the enrolment criteria, contribution requirements, fees, eligible studies, payments to beneficiaries, options for receiving EAPs and options if the beneficiary does not pursue eligible studies among the scholarship plans offered. For a multiple prospectus, include a cross-reference to the plan-specific disclosure for each scholarship plan provided under Part C of this Form.

INSTRUCTION

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

Item 6 — General Information about Scholarship Plan Life Cycle

6.1 — Overview of Scholarship Plan Life Cycle

- (1) Using the heading “How our plan[s] work[s]”, provide a brief description of the life cycle of the plan(s) offered under the prospectus, from enrolment in the plan(s) to EAPs being paid to the beneficiary.
- (2) Using the margin of the page, add a sidebar under the heading “How our plan[s] work[s]”, and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

Make sure your contact information is up to date

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

INSTRUCTIONS

- (1) *The disclosure provided under section 6.1 must not exceed one page in length, and may be provided by means of a table or diagram.*
- (2) *In providing the disclosure required under section 6.1, briefly describe the life cycle of the scholarship plan(s) offered under the prospectus, including*

significant stages such as enrolling and registering the scholarship plan as an RESP under the Income Tax Act (Canada), making contributions and paying fees from contributions, investing contributions and government grants, ceasing investments in accordance with the scholarship plan's investment objectives and strategies upon plan maturity, returning contributions to subscribers at maturity and paying EAPs to beneficiaries for eligible studies.

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

6.2 — Enrolling in a Scholarship Plan

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

6.3 — Unregistered Accounts

- (1) Under the sub-sub-heading "If your beneficiary does not have a social insurance number", list the options available to a subscriber whose beneficiary does not yet have a social insurance number, including the option to wait until the beneficiary has a social insurance number to purchase a scholarship plan that is eligible to be held in an RESP.
- (2) If the scholarship plan provider offers an unregistered education savings account, describe
 - (a) the features of the unregistered education savings account, including what happens to contributions made to the account,
 - (b) whether the account is eligible to receive government grants, and
 - (c) the tax treatment of the account.
- (3) State the deadline for providing the beneficiary's social insurance number after which the investment fund manager will close the account.

INSTRUCTION

Any plan or account offered by the scholarship plan provider that is not eligible for registration by the federal government as an RESP or is not held in a registered

education savings account must be referred to and described as an “unregistered education savings account”.

6.4 — Government Grants

- (1) Under the sub-heading “Government grants”, list the government grants that the investment fund manager will apply for on a beneficiary’s behalf. For each government grant program, provide
 - (a) a brief description of the program,
 - (b) the maximum amount that may be granted under the program annually and over the duration of an RESP,
 - (c) if applicable, the annual contribution amount that would attract the maximum annual government grant, and
 - (d) any requirement to repay government grants.
- (2) Describe what happens to the government grants received by the investment fund manager on behalf of a beneficiary, including
 - (a) the legal ownership of the money throughout the life span of an investment in the scholarship plan,
 - (b) whether the money is pooled with the government grants of other beneficiaries,
 - (c) whether the money is invested together with subscriber contributions or separately from contributions, and
 - (d) how the money is allocated on distribution to a qualified beneficiary.
- (3) State that a subscriber may contact their sales representative or the investment fund manager about the applications that the investment fund manager will make on behalf of the subscriber and disclose where a subscriber can obtain more information about available government grants.

INSTRUCTION

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

6.5 — Contribution Limits

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

- (2) Disclose whether a subscriber can make contributions annually beyond the amount(s) that would result in the receipt of the maximum annual amount in government grants.
- (3) If a subscriber is permitted to make additional contributions as described in subsection (2), disclose that the additional contributions are not eligible to attract further government grants and disclose how the additional contributions are invested.
- (4) Disclose the maximum amount that may be contributed to an RESP under the *Income Tax Act* (Canada), and provide a cross-reference to the tax consequences of contributions beyond the limit set by the *Income Tax Act* (Canada) as disclosed under section 11.3 of this Part of this Form.

6.6 — Additional Services

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

INSTRUCTION

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

6.7 — Fees and Expenses

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

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

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

6.8 — Eligible Studies

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

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

6.9 — Payments from the Scholarship Plan

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

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

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

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

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

INSTRUCTION

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

6.10 — Unclaimed Accounts

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

- (2) Describe the steps that the investment fund manager will take to contact the subscriber and the beneficiary with respect to an unclaimed account.
- (3) Describe what will happen to any unclaimed contributions, unclaimed earnings on contributions, government grants and earnings on government grants if the investment fund manager is unable to locate the subscriber or the beneficiary.
- (4) Describe how a subscriber or beneficiary can obtain payments of any unclaimed money.

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

7.1 — Investment Objectives

- (1) This section applies to a multiple prospectus for scholarship plans that have the same investment objectives, investment strategies and investment restrictions.
- (2) Set out, under the heading “How we invest your money” with the sub-heading “Investment objectives”, the fundamental investment objectives of the scholarship plans, including any information that describes the fundamental nature of the scholarship plans or the fundamental features of the scholarship plans that distinguish them from other types of scholarship plans.
- (3) Describe the nature of any securityholder or other approval that may be required to change the investment objectives of the scholarship plans.
- (4) Describe any of the material investment strategies to be used to achieve those investment objectives.
- (5) If each scholarship plan purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of the investments made by subscribers, include this fact as a fundamental investment objective of the scholarship plans and
 - (a) identify the person or company providing the guarantee or insurance,
 - (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance, and
 - (c) provide the reasons for which the guarantor or insurer, as applicable, could limit or avoid execution of the guarantee or insurance policy.

INSTRUCTIONS

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

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

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

8.1 — Investment Strategies

- (1) This section applies to a multiple prospectus for scholarship plans that have the same investment objectives, investment strategies and investment restrictions.
- (2) Describe under the sub-heading “Investment strategies” the following:
- (a) the principal investment strategies that the scholarship plans intend to use in achieving the investment objectives, and
 - (b) the process by which the scholarship plans’ portfolio adviser selects investments for the portfolios of the scholarship plans, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.
- (3) Indicate the types of investments, other than those held by the scholarship plans in accordance with their fundamental investment objectives, which may form part of the portfolio assets of the scholarship plans under normal market conditions.
- (4) If the scholarship plans may depart temporarily from their fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the portfolio adviser may use or intends to use in response to such conditions.

INSTRUCTION

Scholarship plans may, in responding to subsection 8.1(2), provide a discussion of the general investment approach or philosophy followed by the portfolio adviser of the scholarship plan.

Item 9 — Scholarship Plans with Same Investment Restrictions (Multiple Prospectus)

9.1 — Investment Restrictions

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

- (2) Under the sub-heading “Investment restrictions”, describe any restrictions on investments adopted by the scholarship plans, beyond what is required under securities legislation.
- (3) If the scholarship plans have received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.
- (4) Describe the nature of any securityholder or other approval that may be required in order to change the investment restrictions of the scholarship plans.

Item 10 — Risks of Investing in a Scholarship Plan

10.1 — Risks of Investing in a Scholarship Plan

- (1) Under the heading “Risks of investing in a scholarship plan”, include an introduction using the following wording or wording that is substantially similar:

If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary could lose some or all of their EAPs. Please read the description of the plan-specific risks under “Risks of investing in this plan” in this Detailed Plan Disclosure.

- (2) Under the sub-heading “Investment risks”, include an introduction using the following wording or wording that is substantially similar:

The prices of the investments held by the scholarship plan[s] can go up or down. [State, as applicable – [Refer to “Risks of investing in this plan” in this Detailed Plan Disclosure for a description of/Below are [some of]] the risks that can cause the value of the scholarship plan [‘s/s’] investments to change, which will affect the amount of EAPs available to beneficiaries.] Unlike bank accounts or guaranteed investment certificates, your investment in a scholarship plan is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

- (3) For a multiple prospectus, list and describe the investment risks applicable to each of the scholarship plans offered under the prospectus.
- (4) For a multiple prospectus that contains the disclosure required by section 7.1 of this Part of the Form, if, at any time during the 12-month period immediately preceding the date of the prospectus, more than 10% of the net assets of a scholarship plan were invested in the securities of an issuer other than a government security, disclose
 - (a) the name of the issuer and the securities,
 - (b) the highest percentage of the net assets of the scholarship plan that securities of that issuer represented during the 12-month period, and

- (c) the risks associated with the investments, including the possible or actual effect on the liquidity and diversification of the scholarship plan.

INSTRUCTIONS

- (1) *Each risk factor listed must be described under a separate sub-sub-heading.*
- (2) *Describe the risks in the order of the most serious to the least serious.*
- (3) *Do not de-emphasize a risk factor by including excessive caveats or conditions.*
- (4) *Include a discussion of general market, political, market sector, liquidity, interest rate, foreign currency, diversification and credit risks that apply to the portfolio of the scholarship plan, as appropriate.*
- (5) *The term "government security" has the same meaning as in National Instrument 81-102 Investment Funds.*

Item 11 — Income Tax Considerations

11.1 — Status of the Scholarship Plan

Under the heading "How taxes affect your plan", briefly describe the status of the scholarship plan for income tax purposes.

11.2 — Taxation of the Scholarship Plan

Under the sub-heading "How the plan is taxed", state in general terms the basis upon which the income and capital received by the scholarship plan are taxed.

11.3 — Taxation of the Subscriber

- (1) Under the sub-heading "How you are taxed", state in general terms how the subscriber will be taxed. State in general terms, as applicable to the scholarship plan(s) offered under the prospectus, using sub-sub-headings, the income tax consequences of
 - (a) a return of contributions at the maturity date,
 - (b) a withdrawal of contributions before the maturity date,
 - (c) a refund of sales charges or other fees,
 - (d) any other distributions to the subscriber in the form of income, capital or otherwise,
 - (e) a cancellation of units prior to the maturity date,

- (f) a purchase of additional units,
 - (g) a transfer between scholarship plans,
 - (h) an additional contribution made to address backdating of a plan,
 - (i) an additional contribution made to cure defaults under the scholarship plan, and
 - (j) a contribution beyond the limit set by the *Income Tax Act* (Canada).
- (2) Under the sub-sub-heading “If you receive an Accumulated income payment (AIP)”,
- (a) state the tax consequences of receiving an AIP,
 - (b) describe how an AIP may be transferred to a registered retirement savings plan, and
 - (c) describe the tax consequences of a transfer of an AIP to a registered retirement savings plan.

11.4 — Taxation of the Beneficiary

Under the sub-heading “How your beneficiary is taxed”, state in general terms the income tax consequences to a beneficiary of a payment made to the beneficiary under the scholarship plan, including, as applicable, an EAP, a discretionary payment and a fee refund.

Item 12 — Organization and Management Details of the Scholarship Plan

12.1 — Organization and Management Details

- (1) Provide in a diagram or table, under the heading “Who is involved in running the plan[s]”, information about the entities involved in operating the scholarship plan, including the investment fund manager, foundation, trustee, portfolio adviser, principal distributor, independent review committee, custodian, registrar and auditor of the scholarship plan.
- (2) For each entity listed in the diagram or table, briefly describe the services provided by that entity, and the relationship of that entity to the investment fund manager. Include a description of how each of the following aspects of the operations of the scholarship plan is administered and who administers those functions:

- (a) the management and administration of the scholarship plan, including valuation services, fund accounting and securityholder records, other than the management of the portfolio assets;
 - (b) the management of the portfolio assets, including the provision of investment analysis or investment recommendations and the making of investment decisions;
 - (c) the purchase and sale of portfolio assets by the scholarship plan and the making of brokerage arrangements relating to the portfolio assets;
 - (d) the distribution of the securities of the scholarship plan;
 - (e) if the scholarship plan is a trust, the trusteeship of the scholarship plan;
 - (f) if the scholarship plan is a corporation, the oversight of the affairs of the scholarship plan by the directors of the corporation;
 - (g) the custodianship of the assets of the scholarship plan;
 - (h) the oversight of the investment fund manager of the scholarship plan by the independent review committee;
 - (i) the oversight of the scholarship plan by any other body.
- (3) For each entity listed in the diagram or table, other than the investment fund manager, provide, if applicable, the municipality and the province or country where it principally provides its services to the scholarship plan. Provide the complete municipal address for the investment fund manager of the scholarship plan.

INSTRUCTION

The “foundation” refers to the not-for-profit entity that is the sponsor of the scholarship plan.

Item 13 — Statement of Rights

13.1 — Statement of Rights

Under the heading “Your rights as an investor”, state the following using the same or substantially similar wording:

You have the right to withdraw from an agreement to buy scholarship plan securities and get back all of your money (including any fees or expenses paid), within 60 days of signing the agreement. If the plan is cancelled after 60 days, you will only get back your contributions, less fees and expenses.

Any government grants you've received will be returned to the government.

In several provinces and territories, securities legislation also gives you the right to withdraw from a purchase and get back all of your money, or to claim damages, if the prospectus and any amendment contain a misrepresentation or are not delivered to you. You must act within the time limit set by the securities legislation in your province [*insert if the scholarship plan(s) is/are distributed in one or more territories of Canada - or territory*].

You can find out more about these rights by referring to the securities legislation of your province [*insert if the scholarship plan(s) is/are distributed in one or more territories of Canada - or territory*] or by consulting a lawyer.

Item 14 — Other Material Information

14.1 — Other Material Information

- (1) Under the heading "Other important information", state any other material facts relating to the securities being offered that are not disclosed under any other item in this Form and are necessary for the prospectus to contain full, true and plain disclosure of all material facts about the securities to be distributed.
- (2) Provide any specific disclosure required to be disclosed in a prospectus under securities legislation that is not otherwise required to be disclosed by this Form.
- (3) Subsection (2) does not apply to requirements of securities legislation that are form requirements for a prospectus.

INSTRUCTIONS

- (1) *Sub-headings that are not mandated by this Form may be used in this Item.*
- (2) *For a single prospectus, provide this disclosure either under this Item or under Item 23 of Part C of this Form, whichever is more appropriate.*
- (3) *For a multiple prospectus, provide this disclosure under this Item if the disclosure pertains to all of the scholarship plans described in the document. If the disclosure does not pertain to all of the scholarship plans, provide the disclosure under Item 23 of Part C of this Form.*

Item 15 — Back Cover

15.1 — Back Cover

- (1) State on the back cover of the Detailed Plan Disclosure the name of the scholarship plan(s) offered under the prospectus, and the name, address and telephone number of the investment fund manager of the scholarship plan(s).

(2) State the following using the same or substantially similar wording:

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

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

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

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

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

These documents and other information about the plan[s] are also available at www.sedar.com.

Part C — Detailed Plan Disclosure - Plan-Specific Information

Item 1— General

The Items in this Part apply to each type of scholarship plan unless otherwise stated.

Item 2 — Introductory Disclosure

2.1 — For a Single Prospectus

Include at the top of the first page of the Part C section of the prospectus the heading "Specific information about the [*insert the name of the scholarship plan*]".

2.2 — For a Multiple Prospectus

Include,

- (a) at the top of the first page of the first Part C section of the prospectus, the heading "Specific information about our plans", and
- (b) at the top of each page of a Part C section of the prospectus, a heading consisting of the name of the scholarship plan described on that page.

Item 3 — Plan Description

3.1 — Plan Description

Under the heading “Type of plan”, disclose in the form of a table

- (a) the type of scholarship plan, and
- (b) the date on which the scholarship plan was started.

INSTRUCTION

In disclosing the date on which the scholarship plan was started, use the date on which the securities of the scholarship plan first became available for offer to the public, which will be on or about the date of the issuance of the first receipt for a prospectus of the scholarship plan.

Item 4 — Eligibility and Suitability

4.1 — Eligibility and Suitability

- (1) Under the heading “Who this plan is for”, list the eligibility requirements for enrolment in the scholarship plan.
- (2) Provide a brief statement of the suitability of the scholarship plan for particular investors, describing the characteristics of the subscriber and beneficiary for whom the scholarship plan may be an appropriate investment and for whom it may not be an appropriate investment.

INSTRUCTION

The disclosure provided under subsection 4.1(2) must be consistent with the disclosure provided under Item 4 of Part A of this Form. Discuss whether the scholarship plan is particularly suitable for certain types of investors. Conversely, if the scholarship plan is particularly unsuitable for certain types of investors, emphasize this aspect of the plan and disclose the types of investors who should not invest in the scholarship plan, on both a short- and long-term basis.

Item 5 — Beneficiary Group

5.1 — Beneficiary Group

- (1) This Item applies to a group scholarship plan.
- (2) Under the sub-heading “Your beneficiary group”, describe

- (a) what a beneficiary group is and the significance of belonging to a beneficiary group, and
 - (b) how the maturity date and year of eligibility are determined and the significance of the dates.
- (3) Include the table below, introduced using the following wording or wording that is substantially similar:

The table below can help you determine your beneficiary group. In general, the beneficiary group is determined by the age of the beneficiary when you sign your contract.

Age of beneficiary when the plan is purchased	Beneficiary group
<i>[Insert age of oldest beneficiary eligible to join the group scholarship plan] years old</i>	<i>[Insert year of eligibility for oldest beneficiary]</i>
<i>[Insert age corresponding to next year of eligibility in descending order] years old</i>	<i>[Insert year of eligibility for next oldest beneficiary]</i>
⋮	
0 years old	<i>[Insert year of eligibility for youngest beneficiary]</i>

INSTRUCTIONS

- (1) *In responding to subsection 5.1(2), provide disclosure regarding the sharing of earnings on contributions based on the number of beneficiaries in a beneficiary group, including the sharing of earnings on contributions where there is pre-maturity and post-maturity attrition.*
- (2) *The table required under subsection 5.1(3) is used to demonstrate how the year of eligibility relates to the age of the beneficiary on the application date. The disclosure in the column of this table titled "Age of beneficiary when the scholarship plan is purchased" must present the ages of the beneficiaries for whom subscribers may purchase a group scholarship plan, starting from the oldest to the youngest. For example, if a beneficiary cannot join the group scholarship plan after age 12, then that must be the age disclosed in the top row of that column. The ages disclosed in the subsequent row must follow in descending order.*
- (3) *For the column titled "Beneficiary Group" in the table required under subsection 5.1(3), the "year of eligibility" disclosed in each row must be based on the year*

of eligibility that would typically correspond to a beneficiary of the age described in adjacent column of that table titled "Typical age of beneficiary when the scholarship plan is purchased" as of the date of the prospectus. For example, if the age of the beneficiary listed in the table is 12, the disclosure under "Beneficiary Group" must show the typical year of eligibility for a 12 year old beneficiary joining the scholarship plan as of the date of the prospectus.

Item 6 — Eligible Studies

6.1 — Summary of Eligible Studies

Under the heading "Summary of eligible studies", state the following using the same or substantially similar wording:

The following is a description of the post-secondary programs that are eligible studies and qualify for EAPs under the [insert name of the scholarship plan].

Contact us or your sales representative to find out if the educational programs your beneficiary is interested in are eligible studies. We can provide you with a current list of qualifying institutions and programs on request. This list is also available on the plan's website.

For more information about receiving EAPs, see "Educational assistance payments" on page [insert page reference to the disclosure provided under section 19.2 of Part C of this Form] of this Detailed Plan Disclosure.

6.2 — Description of Eligible Programs

Under the sub-heading "What's eligible", briefly describe the types of programs that qualify for EAPs under the scholarship plan.

6.3 — Description of Ineligible Programs

- (1) Under the sub-heading "What's not eligible", briefly describe the types of programs that do not qualify for EAPs under the scholarship plan.
- (2) If any post-secondary program that would qualify for an EAP under the *Income Tax Act* (Canada) would be considered eligible studies under the scholarship plan, state this fact. If there are differences between the types of programs eligible for payment of an EAP under the *Income Tax Act* (Canada) and programs recognized as eligible studies under the scholarship plan, state this fact and describe how the scholarship plan's requirements are different than the *Income Tax Act* (Canada) requirements.
- (3) State, if applicable, that beneficiaries who do not enrol in eligible studies under the requirements of the scholarship plan will also not receive payments of government grants.

- (4) If the scholarship plan does not recognize all of the same post-secondary programs that would qualify for an EAP under the *Income Tax Act* (Canada), then state the following using the same or substantially similar wording:

If you are interested in a post-secondary program that doesn't qualify for EAPs under the *[insert the name of the scholarship plan]* but would qualify for an EAP under the *Income Tax Act* (Canada), you should consider another type of plan. *[Insert if applicable – For example, in our [insert, as applicable the name of the scholarship plan(s)], any post-secondary program that would qualify for an EAP under the Income Tax Act (Canada) is considered eligible studies for receiving an EAP under the plan.]*

INSTRUCTIONS

- (1) *The list of institutions and programs that are “eligible studies” under the scholarship plan and are referred to in section 6.1 must be provided in a format that facilitates comprehension by the investor. The list must also be available on the plan’s website in a location that does not have restricted access, i.e., it does not require a password or login account.*
- (2) *The disclosure required by sections 6.2 and 6.3 may be provided in the form of a table to assist readability.*
- (3) *Describe the programs required to be disclosed under sections 6.2 and 6.3 based on characteristics such as the type of educational institutions offering the programs, the duration of the programs and the location of the educational institutions.*

Item 7 — Investment Objectives

7.1 — Investment Objectives

- (1) This section does not apply to a scholarship plan that is required to provide the disclosure under section 7.1 of Part B of this Form.
- (2) Under the heading “How we invest your money” with the sub-heading “Investment objectives”, state the fundamental investment objectives of the scholarship plan, including any information that describes the fundamental nature of the scholarship plan or the fundamental features of the scholarship plan that distinguish it from other types of scholarship plans.
- (3) Describe the nature of any securityholder or other approval that may be required to change the investment objectives of the scholarship plan.
- (4) Describe any of the material investment strategies to be used to achieve the scholarship plan’s investment objectives.

- (5) If the scholarship plan purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of the investments made by subscribers, include this fact as a fundamental investment objective of the scholarship plan and
 - (a) identify the person or company providing the guarantee or insurance,
 - (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance, and
 - (c) provide the reasons for which the guarantor or insurer could limit or avoid execution of the guarantee or insurance policy.

INSTRUCTION

In providing the disclosure required by this Item, follow the Instructions that apply to section 7.1 of Part B of this Form.

Item 8 — Investment Strategies

8.1 — Investment Strategies

- (1) This section does not apply to a scholarship plan that is required to provide the disclosure under section 8.1 of Part B of this Form.
- (2) Describe under the sub-heading “Investment strategies” the following:
 - (a) the principal investment strategies that the scholarship plan intends to use in achieving its investment objectives, and
 - (b) the process by which the scholarship plan’s portfolio adviser selects investments for the scholarship plan’s portfolio, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.
- (3) Indicate the types of investments, other than those held by the scholarship plan in accordance with its fundamental investment objectives, which may form part of the scholarship plan’s portfolio assets under normal market conditions.
- (4) If the scholarship plan may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the scholarship plan’s portfolio adviser may use or intends to use in response to such conditions.

INSTRUCTION

A scholarship plan may, in responding to subsection 8.1(2), provide a discussion of the general investment approach or philosophy followed by the portfolio adviser of the scholarship plan.

Item 9 — Investment Restrictions

9.1 — Investment Restrictions

- (1) This section does not apply to a scholarship plan that is required to provide the disclosure specified under section 9.1 of Part B of this Form.
- (2) Under the sub-heading “Investment restrictions”, describe any restrictions on investments adopted by the scholarship plan, beyond what is required under securities legislation.
- (3) If the scholarship plan has received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.
- (4) Describe the nature of any securityholder or other approval that may be required in order to change the investment restrictions of the scholarship plan.

Item 10 — Plan-Specific Risks

10.1 — Plan Risks

- (1) Under the heading “Risks of investing in this plan” with the sub-heading “Plan risks”, include an introduction using the following wording or wording that is substantially similar:

You sign a contract when you open a plan with us. Read the terms of the contract carefully and make sure you understand the contract before you sign. If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary could lose some or all of his or her EAPs.

Keep in mind that payments from the plan are not guaranteed. We cannot tell you in advance if your beneficiary will qualify to receive any EAPs from the plan or how much your beneficiary will receive. We do not guarantee the amount of any payments or that the payments will cover the full cost of your beneficiary's post-secondary education.

In addition to the investment risks described under “Investment risks” on page(s) [insert a page reference to the investment risks disclosed under section 10.1(3) of Part B of this Form or section 10.2 of this Part of the Form, as applicable] of the prospectus, the following is a description of the risks of participating in this plan:

- (2) List and describe any material risks associated with an investment in the scholarship plan, other than the investment risks associated with the portfolio held by the scholarship plan that are disclosed under section 10.1 of Part B of this Form or section 10.2 of this Part, including, as applicable to the scholarship plan,
 - (a) the risk of a change in attrition rates affecting the amount of EAPs available to beneficiaries,
 - (b) the risk of a decision not to provide a discretionary payment affecting the amount of money available to beneficiaries who enrol in eligible studies,
 - (c) the risk that the current sources of funding for discretionary payments may not be available at plan maturity,
 - (d) if there is no guarantee for any refunds of sales charges or other fees, the risk that the current sources of funding for the refunds may not be available at or after the maturity date of the subscriber's scholarship plan, and
 - (e) if the scholarship plan has more than one class or series of securities, the risk that the investment performance, expenses or liabilities of one class or series may affect the value of the securities of another class or series.

INSTRUCTION

In responding to section 10.2, follow Instructions (1) – (3) to section 10.1 of Part B of this Form.

10.2 — Investment Risks

- (1) Subsections (2) to (5) do not apply to a scholarship plan that is required to provide the disclosure under section 7.1 of Part B of this Form.
- (2) Under the heading “Risks of investing in this plan” with the sub-heading “Investment risks”, include an introduction using the following wording or wording that is substantially similar:

The prices of the investments held by the scholarship plan can go up or down. Below are the risks that can cause the value of the plan's investments to change, which will affect the amount of EAPs available to beneficiaries.
- (3) List and describe the investment risks applicable to the scholarship plan, other than those risks previously discussed under subsection 10.1(3) of Part B of this Form.
- (4) Include specific cross-references to the risks described in response to subsection 10.1(3) of Part B of this Form that are applicable to the scholarship plan.

- (5) If, at any time during the 12-month period immediately preceding the date of the prospectus, more than 10% of the net assets of a scholarship plan were invested in the securities of an issuer other than a government security, disclose
- (a) the name of the issuer and the securities,
 - (b) the maximum percentage of the net assets of the scholarship plan that securities of that issuer represented during the 12-month period, and
 - (c) the risks associated with the investment in the securities, including the possible or actual effect on the liquidity and diversification of the scholarship plan.
- (6) If the scholarship plan is required to provide the disclosure under section 7.1 of Part B of this Form, under the heading “Risks of investing in this plan” with the sub-heading “Investment risks”, state the following using the same or substantially similar wording:

The prices of the investments held by the scholarship plan can go up or down. You can find a list of risks that can cause the value of the plan’s investments to change under “Investment risks” on page [insert page reference to the risks disclosed under section 10.1(3) of Part B of this Form].

INSTRUCTION

In providing disclosure under this section, follow the Instructions to section 10.1 of Part B of this Form.

Item 11 — Annual Returns

11.1 — Annual Returns

Under the heading “How the plan has performed”, provide, in the form of the following table, the annual return of the scholarship plan for each of the past five years (or for a scholarship plan that has existed for less than five years, for each year the scholarship plan has been in existence) as disclosed in the most recently filed annual management report of fund performance of the scholarship plan, introduced using the following wording or wording that is substantially similar:

The table below shows how the investments in [insert name of the scholarship plan] performed in each of the past five financial years ending on [insert date of end of financial year for the scholarship plan]. Returns are after expenses have been deducted. These expenses reduce the returns you get on your investment.

It’s important to note that this doesn’t tell you how the plan’s investments will perform in the future.

	[Insert most recently completed Financial Year]	[Insert most recently completed Financial Year minus 1]	[Insert most recently completed Financial Year minus 2]	[Insert most recently completed Financial Year minus 3]	[Insert most recently completed Financial Year minus 4]
Annual Return	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>

Item 12 — Contributions

12.1 — Making Contributions

- (1) Under the heading “Making contributions”, state the minimum investment in the scholarship plan permitted under the prospectus and the maximum length of time a subscriber can make contributions under the plan.
- (2) If the scholarship plan uses units, under the sub-heading “What is a unit?”, describe the unit and state why the scholarship plan uses units. State if the value of a unit is based only on the value of the portfolio assets held by the scholarship plan and, if not, state what other factors the value of a unit is based on.
- (3) Under the sub-heading “Your contribution options”, describe all available contribution options.
- (4) If the scholarship plan requires subscribers to make contributions to the plan in accordance with a contribution schedule, under the sub-heading “Contribution schedule”, include an introduction to the contribution schedule using the following wording or wording that is substantially similar:

The contribution schedule below shows how much you have to contribute to buy a unit. The price you pay depends on your beneficiary group and whether you pay for your units all at once or make periodic contributions to pay for your units. *[For a group scholarship plan, state – The prices are calculated so that the contributions of each subscriber for a beneficiary group will generate the same earnings per unit.]*

Certain fees and expenses are deducted from your contributions. For more information, please see “Fees you pay” on page *[insert page reference to the disclosure provided under section 14.2 of Part C of this Form]*.

The contribution schedule was prepared by *[indicate name of entity/entities that prepared the contribution schedule]* in *[specify year the contribution schedule was prepared]*.

- (5) Include the contribution schedule of the scholarship plan in the form of the following table, together with the following examples to explain how to use the contribution schedule to determine the contributions required to pay for each unit. Introduce the table using the following wording or wording that is substantially similar with the title "How to use this table" in bold type:

How to use this table:

For example, let’s assume your beneficiary is a newborn. If you want to make monthly contributions until maturity, it will cost \$[insert amount payable monthly for this option] each month for each unit you buy. You would have to make [insert total number of payments for this option] contributions over the life of your plan, for a total investment of \$[insert total amount payable for this option].

If your child is five years old and you want to make annual contributions until maturity, it will cost \$[insert amount payable annually for this option] each year for each unit you buy. You would have to make [insert total number of payments for this option] contributions over the life of your plan, for a total investment of \$[insert total amount payable for this option].

Contribution schedule				
Contribution options [See Instruction (2)]	[Insert youngest beneficiary by age] [See Instruction (3)]	[Insert next youngest beneficiary by age]	...	[Insert oldest beneficiary by age]
Monthly contribution Contribution amount Total number of contributions Total amount of contributions	[See Instruction (4)]			
Annual contribution Contribution amount Total number of contributions Total amount of contributions				
⋮				

Lump sum contribution				
Contribution amount				

- (6) State the assumptions on which the contribution schedule is based and confirm that the assumptions are still reflective of current conditions and circumstances.

INSTRUCTIONS

- (1) *The contribution schedule must outline all available contribution options, including the lump sum contribution option.*
- (2) *List the contribution options in the order based on the total number of contributions, from the largest number of contributions to the smallest number of contributions. For example, if the scholarship plan permits monthly, annual and lump sum contributions, list the contribution options in that order.*
- (3) *The contribution schedule must be presented in the order based on the age of the beneficiaries, from the youngest to oldest.*
- (4) *For each contribution option, set out the amount of each contribution, the total number of contributions, and the total amount payable for one unit.*
- (5) *If the scholarship plan permits a subscriber to date their plan as at a date that is earlier than the application date, disclose the conditions or requirements that must be met to backdate a plan, including the maximum number of months that a plan may be backdated and the basis of calculation of any amount(s) payable by the subscriber in addition to the contributions required under the contribution schedule. Include a cross-reference to the disclosure provided under paragraph 11.3(1)(h) of Part B of this Form.*
- (6) *The contribution amounts in the contribution schedule must not include fees for insurance.*

12.2 — Missing Contributions

- (1) Under the sub-heading “If you have difficulty making contributions”, state the following using the same or substantially similar wording:

If you miss one or more contributions, you may be in default of your plan. To stay in the plan, you’ll have to make up the contributions you missed. [State if applicable — You’ll also have to make up what the contributions would have earned if you had made them on time]. This can be costly.

For information about the steps you have to take to stay in the plan after missing contributions, see “Default, withdrawal or cancellation” on page [insert page reference to the disclosure provided under Item 17 of Part C of this Form].

- (2) Under the sub-sub-heading “Your options”, describe the options available to subscribers having difficulty making contributions, including reducing the amount of contributions, suspending contributions, transferring to another RESP and cancelling their scholarship plan.
- (3) Describe any restrictions on the availability of the options referred to in subsection (2).
- (4) For each option set out under subsection (2), disclose the fee payable for the option and the losses that may be incurred by the subscriber as a result of the option.
- (5) Describe what will happen if a subscriber has difficulty making contributions and does not select any of the options set out under subsection (2).

INSTRUCTIONS

- (1) *A scholarship plan that does not require subscribers to make regular contributions to keep their plan in good standing must modify the disclosure under subsection 12.2(1) accordingly.*
- (2) *If the cost of putting a plan in good standing after a voluntary suspension of the plan includes the payment of an amount equal to the interest that would have been earned on the missing contributions, disclose the current interest rate used as an annualized rate of interest and disclose how the interest is calculated.*
- (3) *In disclosing any losses that may be incurred by a subscriber under subsection (4), state whether the subscriber may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*
- (4) *If the disclosure for an option required by subsections (3) and (4) is provided elsewhere in Part C of the prospectus, a cross-reference to the disclosure for the option may be provided in response to subsections (3) and (4). For example, if transferring to another scholarship plan managed by the investment fund manager is an option available to the subscriber, a scholarship plan may refer investors to details of this type of transfer by providing a cross-reference to the disclosure provided under section 16.1 of Part C of this Form.*

Item 13 — Withdrawing Contributions

13.1 — Withdrawing Contributions

- (1) Under the heading “Withdrawing your contributions”, describe a subscriber’s entitlement to a return of contributions made, less fees, at any time before the maturity date of their scholarship plan.

- (2) Describe the steps a subscriber must take to withdraw some or all of their contributions before the maturity date of their scholarship plan.
- (3) Disclose the fee for a withdrawal from their scholarship plan and describe the losses that may be incurred by a subscriber upon a withdrawal.
- (4) Disclose whether a subscriber's plan will be cancelled if the subscriber withdraws all the contributions made to their plan. If so, provide a cross-reference to the disclosure provided under section 17.3 of Part C of this Form.

INSTRUCTION

In describing any losses that may be incurred by a subscriber under subsection (3), disclose whether the subscriber may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.

Item 14 — Fees and Expenses

14.1 — Costs of Investing in the Scholarship Plan

Under the heading "Costs of investing in this plan", state the following using the same or substantially similar wording:

There are costs for joining and participating in the *[insert name of scholarship plan]*. The following tables list the fees and expenses of this plan. You pay some of these fees and expenses directly from your contributions. The plan pays some of the fees and expenses, which are deducted from the plan's earnings.

14.2 — Fees Payable by Subscriber from Contributions

- (1) Under the sub-heading "Fees you pay", provide a list of the fees and expenses that are deducted from contributions and that are not required to be provided in the table under section 14.4 of Part C of this Form in the form of the following table. Introduce the table using the following wording:

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

Fee	What you pay	What the fee is for	Who the fee is paid to
Sales charge	<i>[Specify amount]</i>	<i>[Specify the purpose]</i>	<i>[Insert name of entity]</i>

Account Maintenance Fee	[Specify amount]	[Specify purpose]	the [Insert name of entity]
[Specify other fees and expenses]	[Specify amount]	[Specify purpose]	the [Insert name of entity]

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

Paying off the sales charges

For example, assume that you buy one unit of the [Insert name of scholarship plan] on behalf of newborn child, and you commit to making monthly contributions until the maturity date to pay for that unit. [All/[specify lower percentage, if applicable]] of your first [insert number of contributions] contributions go toward the sales charge until [half/[specify other percentage if applicable]] of the sales charge is paid off. [State, as applicable – [Half/[specify other percentage if applicable]] of your next [insert number of contributions] contributions go toward the sales charge until it’s fully paid off.] Altogether, it will take you [insert number of months] months to pay off the sales charge. During this time, [insert percentage] of your contributions will be used to pay the sales charge and [insert percentage] of your contributions will be invested in your plan.

- (4) State whether any of the fees listed in the table in subsection (1) may be increased without subscriber approval.

INSTRUCTIONS

- (1) In the table required under subsection 14.2(1), list the fees payable by subscribers’ contributions. Each fee must be listed on a separate row in the table.
- (2) In the table required under subsection 14.2(1) in the column titled “What you pay” state the amount of each fee. The amount of each fee must be disclosed based on how the fee is calculated. For example, if a particular fee is

calculated as a fixed dollar amount per unit, or a fixed amount per year, it must be stated as such. Similarly, if a fee is calculated as a percentage of plan assets, that percentage must be stated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.

- (3) For a group scholarship plan or other type of scholarship plan that normally calculates the sales charge payable as a fixed dollar amount linked to the amount of contribution by a subscriber (i.e. \$x.xx per unit), in addition to stating the fixed amount of sales charge per unit as required under Instruction (2), the disclosure of the amount of sales charge in the table required under subsection 14.2(1) in the column titled "What you pay" must also be expressed as a percentage of the cost of a unit of the scholarship plan. If the total cost of a unit of the scholarship plan varies depending on the contribution option or frequency selected, the percentage sales charge must be expressed as a range, between the lowest and the highest percentage of the unit cost the sales charge can represent, based on the different contribution options available to subscribers under the scholarship plan. This must be calculated as follows: (i) divide the sales charge per unit by the contribution option that has the highest total cost per unit, and (ii) divide the sales charge per unit by the contribution option that has the lowest total cost per unit. For example, if a scholarship plan calculates its sales charge as \$200/unit, and the total cost per unit for a subscriber can range from \$1000 to \$5000 (based on the different options available to subscribers), the percentage range of the sales charge disclosed in the table would be 4% (200/5000) to 20% (200/1000). The disclosure in the table must also state that the exact percentage of the sales charge per unit for a subscriber will depend on the contribution option selected for contributing to the scholarship plan and how old their beneficiary is at the time they open the scholarship plan.
- (4) In the table required under subsection 14.2(1) in the column titled "What you pay" describe how the fee is deducted from contributions if the fee amount deducted from each contribution is not the same. For example, if deductions for sales charges are not made from each contribution at a constant rate for the duration of the plan or for the period for which contributions are required to be made under the scholarship plan if it is less than the scholarship plan's duration, describe the amounts from contributions that are deducted to pay sales charges.
- (5) In the table required under subsection 14.2(1) in the column titled "What the fee is for" provide a concise explanation of what the fee is used for.
- (6) In the table required under subsection 14.2(1) in the column titled "Who the fee is paid to", state the name of the entity to which the fee is paid, such as the investment fund manager, the portfolio manager, the dealer, the foundation, etc.
- (7) The disclosure required under subsection 14.2(2) must be based on the following assumptions: (i) the beneficiary is a newborn, (ii) the subscriber is purchasing one

unit of the scholarship plan, (iii) the subscriber has agreed to a monthly contribution schedule with contributions payable until the scholarship plan's maturity date, and (iv) all of the mandatory fees that are normally deducted from a subscriber's contributions are deducted during the relevant period. The disclosure provided under subsection 14.2(2) must be consistent with the disclosure provided under subsection (2) of Item 10 of Part A of the form.

- (8) The disclosure required in subsection 14.2(2) may alternatively be provided in a text box below the table required under subsection 14.2(1).
- (9) For the disclosure required in subsection 14.2(2), if the scholarship plan does not offer units but uses a similar method for deducting sales charges as is described under subsection 14.2(2), the wording may be amended as is necessary to properly reflect the scholarship plan's features.

14.3 — Fees Payable by the Scholarship Plan

- (1) Under the sub-heading "Fees the plan pays", provide a list of the fees and expenses that are payable by the scholarship plan in the form of the following table and introduced using the following wording:

The following fees are payable from the plan's earnings. You don't pay these fees directly. These fees affect you because they reduce the plan's returns which reduces the amount available for EAPs.

Fee	What the plan pays	What the fee is for	Who the fee is paid to
Administrative fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
Portfolio management fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
Custodian fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
Independent review committee fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
[Specify other fees and expenses]	[Specify amount]	[Specify purpose]	[Insert name of entity]

- (2) State whether any of the fees or expenses listed in the table in subsection (1) may be increased without subscriber approval.

INSTRUCTIONS

- (1) *In the table, show all fees and expenses payable by the scholarship plan, even if it is expected that the investment fund manager or other member of the organization of the scholarship plan will waive or absorb some or all of those fees and expenses. Each fee must be listed in a separate row in the table.*
- (2) *If one or more fees listed or required to be listed in the table are normally combined into an “all-inclusive fee” payable by the scholarship plan, the table may be amended as is necessary to reflect this fact.*
- (3) *In the column titled “What the plan pays” state the amount of each fee listed in the table. The amount of fee stated must be disclosed based on how the fee is calculated. For example, if a fee is calculated based on a percentage of the scholarship plan’s assets, it must be stated as such. For the “independent review committee fee”, state the amount of any retainer payable to each member of the committee and any additional fees payable for meeting attendance and indicate if committee members expenses are reimbursed, and disclose the total dollar amount paid in connection with the independent review committee for the most recently completed financial year of the scholarship plan. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.*
- (4) *In the column titled “What the fee is for” provide a concise explanation of what the fee is used for. If a fee is charged to the scholarship plan for on-going fund expenses, list the main components of those expenses covered by the fee.*
- (5) *In the column titled “Who the fee is paid to”, state the name of the entity to which the fee is paid, such as the investment fund manager, the portfolio manager, the dealer, the foundation, etc.*

14.4 — Transaction Fees

Under the sub-heading “Transaction fees”, provide a list of the transaction fees in the form of the following table introduced using the following wording:

We will charge the following fees for the transactions listed below.

Fee	Amount	How the fee is paid	Who the fee is paid to
<i>[Insert type of fee]</i>	<i>[\$[Specify amount]]</i>	<i>[Insert how the fee is charged]</i>	<i>[Insert name of entity]</i>

INSTRUCTIONS

- (1) *In the column titled “fee” describe the type of transaction for which the fee is charged; for example, replacing a cheque, changing the contribution*

schedule, changing the beneficiary, changing the maturity date, transferring a plan and a late application for EAPs. Each fee must be listed on a separate row in the table.

- (2) *In the column titled "Amount" specify the amount of each fee. The amount must be disclosed based on how the fee is calculated. For example if the fee is calculated as a fixed dollar amount or a percentage it must be disclosed as such.*
- (3) *In the column titled "How the fee is paid" state how the fee for each transaction is charged, for example, if the fee is payable directly by the subscriber or beneficiary, or if it is deducted from the earnings of the scholarship plan.*
- (4) *In the column titled "Who the fee is paid to" specify the entity to which the fee is paid, such as the scholarship plan dealer, the investment fund manager, the Foundation, etc.*

14.5 — Fees for Additional Services

If applicable, under the sub-heading "Fees for additional services", provide a list of the fees payable for the additional services disclosed under section 6.6 of Part B of this Form in the form of the following table and introduced using the following wording:

The following fees are payable for the additional services listed below:

Fee	What you pay	How the fee is paid	Who the fee is paid to
<i>[Specify type of fee]</i>	<i>[\$[Specify amount]]</i>	<i>[Specify how the fee is charged]</i>	<i>[Insert name of entity]</i>

INSTRUCTIONS

- (1) *In the column titled "Fee", describe the type of service for which the fee is charged (for example, insurance services). Each fee must be listed in a separate row in the table.*
- (2) *Under the column titled "What you pay" specify the amount of each fee. The fee must be disclosed based on how it is calculated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.*
- (3) *If insurance services are provided, under the column "What you pay", disclose the fee for insurance and disclose the portion of the fee that is paid by the insurer to the principal distributor, the investment fund manager, or an affiliate.*

- (4) *If the fee payable for an additional service varies so that specific disclosure of the amount of the fee cannot be provided in the prospectus, provide the range of fees payable under the column titled "What you pay".*
- (5) *In the column titled "How the fee is paid" state how the fee for each service is charged, for example, if the fee is an amount payable by the subscriber on a monthly basis in addition to contributions made under the contribution schedule.*
- (6) *In the column titled "Who the fee is paid to" state the name of the entity to which the fee is paid, such as the scholarship plan dealer, the investment fund manager, the Foundation, etc. If insurance services are provided, the name of the insurer must be disclosed.*

14.6 — Refund of Sales Charges and Other Fees

- (1) Under the sub-heading "Refund of sales charges [and other fees]", disclose the details of all arrangements for the refunding of sales charges and any other fee paid by subscribers.
- (2) In the disclosure required by subsection (1), for each fee that may be refunded, describe
 - (a) who pays the fee refund,
 - (b) who funds the fee refund and the sources of funding for the fee refund,
 - (c) whether the refund is guaranteed or not and what that means,
 - (d) the conditions or requirements that must be met to receive the fee refund,
 - (e) when the refund will be paid,
 - (f) whether the amount refunded will include interest,
 - (g) whether the refund is paid in cash to the subscriber or is credited to their plan,
 - (h) if applicable, whether the amount refunded will be considered a contribution to the scholarship plan for tax purposes, and
 - (i) whether the amount refunded is taxable to the subscriber or beneficiary.
- (3) Describe the circumstances that may affect the ability of the current sources of funding for the fee refunds to continue to fund such payments.

- (4) State whether the investment fund manager or any other entity has put any mechanism in place to continue to make fee refunds if any of the circumstances referred to in subsection (3) occurs.
- (5) If a fee refund is payable on a discretionary basis, state the following wording with the first sentence in bold type:

Discretionary refunds are not guaranteed. You should not count on receiving a discretionary refund. [Specify entity] decides if it will provide a fee refund in any year.

INSTRUCTIONS

- (1) *A return of an enrolment fee is considered to be a refund of sales charges for the purposes of disclosure under this section.*
- (2) *If a fee refund is paid in instalments, disclose each payment date and the amount or proportion of the refund payable at each date.*

Item 15 — Making Changes to a Subscriber’s Plan

15.1 — Changing Contributions

- (1) Under the heading “Making changes to your plan” and the sub-heading “Changing your contributions”, disclose whether or not a subscriber can change the contributions under a scholarship plan.
- (2) If a subscriber can change the contributions under a scholarship plan, disclose
 - (a) the steps the subscriber must take to make the change,
 - (b) the conditions or requirements that must be met to make the change,
 - (c) the fee for making the change, and
 - (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

15.2 — Changing Maturity Date

- (1) Under the sub-heading “Changing the maturity date”, disclose whether or not a subscriber can change the maturity date of their plan.
- (2) If a subscriber can change the maturity date, disclose
 - (a) the steps the subscriber must take to make the change,
 - (b) the conditions or requirements that must be met to make the change,

- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

15.3 — Changing Year of Eligibility

- (1) Under the sub-heading “Changing your beneficiary’s year of eligibility”, disclose whether or not a subscriber can change the year of eligibility of a beneficiary.
- (2) If a subscriber can change the year of eligibility, disclose
 - (a) the steps the subscriber must take to make the change,
 - (b) the conditions or requirements that must be met to make the change,
 - (c) the fee for making the change, and
 - (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

15.4 — Changing Subscriber

- (1) Under the sub-heading “Changing the subscriber”, disclose whether the contract permits the subscriber to be changed at any time during the life of a scholarship plan.
- (2) If the subscriber may be changed, disclose
 - (a) the steps that are required to make the change,
 - (b) the conditions or requirements that must be met to make the change,
 - (c) the fee for making the change, and
 - (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

15.5 — Changing Beneficiary

- (1) Under the sub-heading “Changing your beneficiary”, disclose whether or not a subscriber can change the beneficiary of a scholarship plan.
- (2) If the beneficiary may be changed, disclose
 - (a) the steps the subscriber must take to make the change,

- (b) the conditions or requirements that must be met to make the change,
- (c) the fee for making the change, and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

15.6 — Death or Disability of Beneficiary

- (1) Under the sub-heading “Death or disability of the beneficiary”, disclose the options available to a subscriber in the event of the death or disability of the beneficiary of the scholarship plan.
- (2) The disclosure under this item must include
 - (a) how a disability is defined,
 - (b) how each option may be initiated and the conditions or requirements that must be met for each option,
 - (c) the fee for each option, and
 - (d) the losses that may be incurred by the subscriber or the beneficiary if the option is selected.

INSTRUCTIONS

- (1) *In discussing a change in contributions under a scholarship plan in response to section 15.1, state if the change in contributions may be made as a result of changing the contribution frequency or the number of units for which contributions are made.*
- (2) *The disclosure of the conditions or requirements for making a change to the subscriber’s plan required under this Item must include a description of any amounts required to be paid to make the change and the deadline for making the change.*
- (3) *In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to this Item, state if the subscriber or the beneficiary might incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

Item 16 — Transfer of Scholarship Plan

16.1 — Transferring to another plan managed by the investment fund manager

- (1) Under the heading “Transferring your plan” with the sub-heading “Transferring to [*name the other scholarship plans managed by the investment fund manager of the scholarship plan*]”, state whether or not the scholarship plan allows a subscriber to transfer from the current plan to any of the other plans offered by the investment fund manager.
- (2) Disclose
 - (a) the steps a subscriber must take to effect the transfer,
 - (b) the conditions or requirements that must be met to effect the transfer,
 - (c) the fee for the transfer,
 - (d) the losses that may be incurred by the subscriber or the beneficiary if the transfer is made, and
 - (e) for a group scholarship plan, whether or not a subscriber who has transferred out of a group plan may transfer back to the group plan.

16.2 — Transferring to another RESP Provider

- (1) Under the sub-heading “Transferring to another RESP provider”, state whether or not the scholarship plan allows a subscriber to transfer to an RESP provider unrelated to the investment fund manager.
- (2) Disclose
 - (a) the steps a subscriber must take to effect the transfer,
 - (b) the conditions or requirements that must be met to effect the transfer,
 - (c) the fee for the transfer, and
 - (d) the losses that may be incurred by the subscriber or the beneficiary if the transfer is made.

16.3 — Transferring from another RESP Provider to the Scholarship Plan

- (1) Under the sub-heading “Transferring to this plan from another RESP provider”, state whether or not the scholarship plan allows a subscriber to transfer from an RESP provider unrelated to the investment fund manager to the scholarship plan.
- (2) Disclose

- (a) the steps a subscriber must take to effect the transfer,
- (b) the conditions or requirements that must be met to effect the transfer, and
- (c) the fee for the transfer.

INSTRUCTIONS

- (1) *The disclosure of the conditions or requirements that must be met to effect a transfer of a plan described under this Item must include a description of any amounts required to be paid to effect the transfer and the deadline for effecting the transfer.*
- (2) *In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to this Item, state if the subscriber or the beneficiary might incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

Item 17 — Default, Withdrawal or Cancellation

17.1 — Withdrawal or Cancellation by Subscriber

- (1) Under the heading “Default, withdrawal or cancellation” with the sub-heading “If you withdraw from or cancel your plan”, describe how a subscriber can withdraw from or cancel a scholarship plan.
- (2) Describe the amounts a subscriber is entitled to receive if the subscriber withdraws from a scholarship plan up to 60 days after signing a contract.
- (3) Describe the amounts a subscriber is entitled to receive if the subscriber cancels a scholarship plan more than 60 days after signing a contract.
- (4) Disclose the charges payable by a subscriber for a cancellation or withdrawal.
- (5) Disclose the losses that may be incurred by the subscriber or the beneficiary if the subscriber cancels or withdraws from their scholarship plan.

17.2 — Subscriber Default

- (1) Under the sub-heading “If your plan goes into default”, describe the circumstances in which a subscriber may be noted in default under the scholarship plan.
- (2) Disclose the steps the investment fund manager will take to notify the subscriber when a default described in subsection (1) occurs.

- (3) Disclose the steps a subscriber can take to remedy a default and disclose the costs associated with remedying the default, including any amounts payable by the subscriber. For a default due to missed contributions, describe how any amount payable by a subscriber as a result of missed contributions is calculated.
- (4) For each default, disclose whether remedying the default will qualify a subscriber and a beneficiary for the same payments under the scholarship plan as if the default had not occurred.
- (5) Disclose whether a default results in the cancellation of a subscriber's plan by the investment fund manager if the default is not remedied. If an unremedied default does not result in the cancellation of the subscriber's plan, disclose the losses that may be incurred by the subscriber or the beneficiary due to the default.

17.3 — Cancellation by Investment Fund Manager

- (1) Under the sub-heading "If we cancel your plan", describe any circumstances other than a subscriber's default in which the investment fund manager of the scholarship plan may cancel a subscriber's plan.
- (2) Describe the amounts a subscriber is entitled to receive if the subscriber's scholarship plan is cancelled by the investment fund manager.
- (3) Disclose the costs payable by a subscriber in connection with a cancellation by the investment fund manager.
- (4) Disclose the losses that may be incurred by the subscriber or the beneficiary if the investment fund manager cancels the subscriber's scholarship plan.

17.4 — Re-activation of Subscriber's Plan

- (1) If applicable, under the sub-heading "Re-activating your plan", describe the circumstances in which a subscriber may re-activate a plan after cancellation of the scholarship plan, and specify the costs associated with re-activation and who bears the costs.
- (2) Disclose whether re-activating a plan will qualify a subscriber and a beneficiary for the same payments under the scholarship plan as if the cancellation had not occurred.

17.5 — Plan Expiration

Under the sub-heading, "If your plan expires", discuss the maximum duration of a subscriber's scholarship plan before it must be collapsed and what happens to the money from a collapsed scholarship plan.

INSTRUCTIONS

- (1) *In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to Item 17, state whether the subscriber or the beneficiary may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*
- (2) *If the costs of putting a scholarship plan in good standing after missing contributions or re-activating a scholarship plan after cancellation include the payment of an amount equal to the interest that would have been earned on contributions required by the scholarship plan, disclose the rate as an annualized rate of interest and disclose how the rate is calculated.*
- (3) *If an AIP may be received upon cancellation of a scholarship plan, include a cross-reference to the disclosure provided under Item 20 of Part C of this Form.*

Item 18 — Plan Maturity

18.1 — Description of Plan Maturity

- (1) Under the heading “What happens when your plan matures”, briefly explain what happens to a subscriber’s scholarship plan at the maturity date.
- (2) State whether the investment fund manager will notify the subscriber about the maturity date of their scholarship plan and how the notice is provided.

INSTRUCTION

In responding to section 18.1, briefly explain what happens to the contributions, government grants and earnings at the maturity date, such as the earnings for a beneficiary group being transferred into an EAP account for distribution to qualified beneficiaries.

18.2 — If the Beneficiary Does Not Enrol in Eligible Studies

- (1) Under the sub-heading “If your beneficiary does not enrol in eligible studies”, state that a beneficiary who does not enrol in eligible studies will not receive EAPs from the scholarship plan.
- (2) Describe the options for a subscriber whose beneficiary does not enrol in eligible studies and disclose the losses that may be incurred by the subscriber under each option.
- (3) State whether a subscriber may be eligible to receive an AIP. If an AIP may be payable, provide a cross-reference to the disclosure provided under Item 20 of Part C of this Form.

INSTRUCTIONS

- (1) *In responding to section 18.2, describe options including naming another beneficiary before the maturity date, transferring to another RESP or cancelling the scholarship plan.*
- (2) *In describing the losses that may be incurred by the subscriber in response to subsection 18.2(2), cross-references to the disclosure provided under Items 15 to 17 of Part C of this Form may be provided, as applicable.*

Item 19 — Payments from the Scholarship Plan

19.1 — Return of Contributions

- (1) Under the heading “Receiving payments from the plan” with the sub-heading “Return of contributions”, describe when and how contributions are returned to the subscriber. State whether the amount returned is net of sales charges and fees deducted from contributions.
- (2) If all or a part of a subscriber’s contributions are returned, state what happens to the government grants. State whether it is possible for government grants to remain in the name of the beneficiary and if so, state the conditions or requirements that must be met to do so.

19.2 — Payments to Beneficiaries

- (1) Under the sub-heading “Educational assistance payments”, disclose the conditions and requirements necessary for a beneficiary to receive EAPs under the scholarship plan, including the deadline for applying for EAPs, and state what happens if the beneficiary misses the deadline.
- (2) Describe each option for paying EAPs to beneficiaries. For each option, disclose
 - (a) the number of payments,
 - (b) when each payment is made, and
 - (c) for a group scholarship plan, the percentage of the maximum total amount of EAPs payable at each payment date.
- (3) For a group scholarship plan, if the total amount of EAPs payable to beneficiaries differs based on the number of years of eligible studies, disclose the number of years of eligible studies that qualifies for the payment of the maximum total amount of EAPs and briefly describe the eligible studies with that duration.
- (4) For a group scholarship plan that does not offer EAP payment options tailored to reduced programs, state, if applicable, that beneficiaries who enrol in eligible studies of a shorter duration than the full period will not qualify for the maximum

number of EAPs and will receive a lower total amount of EAPs over the duration of their eligible studies than beneficiaries who enrol in eligible studies for the full period.

- (5) For a group scholarship plan that offers EAP payment options tailored to reduced programs, if the total amount of EAPs payable under an EAP payment option tailored to reduced programs is less than the maximum total amount of EAPs, state the total amount of EAPs payable under the EAP payment option as a percentage of the maximum total amount of EAPs.

INSTRUCTIONS

- (1) *In providing the disclosure under subsection 19.2(1), do not repeat the type of studies that qualify for EAPs. Instead, include a cross-reference to the disclosure provided under section 6.2 of Part C of this Form.*
- (2) *The disclosure under subsection 19.2(1) must include a discussion of any requirements for a beneficiary to remain eligible for EAPs under the scholarship plan for each successive year of study.*
- (3) *The “maximum total amount of EAPs” is the total amount of EAPs that can be received by a beneficiary who meets the requirements of the scholarship plan for receiving the maximum number and amount of EAPs.*
- (4) *In providing the disclosure under subsection 19.2(3), describe generally the types of programs for which a beneficiary will receive the maximum total amount of EAPs (for example, four years of eligible studies that may consist of a 4-year program or two 2-year programs).*
- (5) *The “full period” is the number of years of eligible studies that qualifies for the payment of the maximum total number and amount of EAPs.*
- (6) *An “EAP payment option tailored to reduced programs” is an EAP payment option that pays approximately the same total amount of EAPs for eligible studies with a shorter duration as the EAPs payable under the scholarship plan for eligible studies of longer duration. For example, an EAP payment option that makes two payments for a 2-year post-secondary program, where each payment is twice the amount of each of the four payments that would be made for a 4-year post-secondary program, is an EAP payment option tailored to reduced programs.*
- (7) *A scholarship plan may use a table to illustrate the schedule of payments and the amount paid in each year of eligible studies for each EAP payment option offered.*

19.3 — Amount of EAPs

- (1) Under sub-sub-heading, “How we determine EAP amounts”, state the components of EAPs paid under the scholarship plan.
- (2) Describe how the value of EAPs is determined for each year of eligible study. State whether or not any oversight of the calculation of EAPs is provided by an entity other than the investment fund manager.
- (3) Describe any restrictions, under the *Income Tax Act* (Canada) or the scholarship plan’s rules, on the amount of EAP that can be paid for each year of eligible studies.
- (4) Describe, as applicable to the type of scholarship plan,
 - (a) how unrealized capital gains or losses on investments in the scholarship plan are allocated;
 - (b) how earnings attributable to units or plans cancelled before the maturity date are allocated;
 - (c) how earnings attributable to units or plans cancelled after the maturity date are allocated;
 - (d) how the difference between the maximum total amount of EAPs and the lower amount collected by beneficiaries who enrol in eligible studies that do not qualify for the maximum total amount of EAPs is allocated;
 - (e) how the government grants accrued in the scholarship plan and the earnings from government grants are allocated.

INSTRUCTION

The amount for which disclosure is required under paragraph 19.3(4)(d) is the amount that is not collected by beneficiaries in a beneficiary group because they do not enrol in eligible studies of sufficient duration to qualify for the maximum total amount of EAPs.

19.4 — Payments from the EAP Account

- (1) This section applies to a group scholarship plan.
- (2) Under the sub-sub-heading “Payments from the EAP account”, provide information in the form of the following table about the funding of the EAP account. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past breakdown of income in the EAP account” in bold type:

A portion of each EAP consists of a beneficiary's share of the EAP account. The rest of an EAP is made up of the beneficiary's government grants and the earnings on those government grants.

The EAP account holds the income earned on contributions made by subscribers. This includes the income earned on contributions of subscribers who have cancelled their plan or whose plan was cancelled by us. There is a separate EAP account for each beneficiary group.

Past breakdown of income in the EAP account

The table below shows the breakdown of income in the EAP account at the maturity date for the five beneficiary groups that most recently reached their year of eligibility.

The breakdown of income can vary by beneficiary group. The amount of income earned on contributions depends on the performance of the plan's investments. The amount of income from cancelled plans depends on how many plans were cancelled, as well as the investment performance of that money.

	Beneficiary group				
	[Most recent year]	[Most recent year minus 1]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]
Income earned on contributions	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]
Income from cancelled plans	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]
EAP account Total	100%	100%	100%	100%	100%

- (3) Provide information in the form of the following table about the historical payment of amounts from the EAP account. Introduce the table using the following wording or wording that is substantially similar with the title of the table "Past payments from the EAP account" in bold type:

Past payments from the EAP account

The table below shows how much was paid from the EAP account per unit for the five beneficiary groups that most recently reached their year of eligibility. [For a scholarship plan that offers EAP payment options tailored to reduced programs, state – This table shows only the amount paid per unit for beneficiaries who selected

the [specify EAP payment option for the full period]. We also offer [a] payment option[s] that pay[s] EAPs tailored to shorter programs].

Keep in mind that scholarship plans are generally long-term investments. The payments shown largely reflect investments made years ago. It’s important to note that this doesn’t tell you how much a beneficiary will receive in the future.

Year of studies	Payments from EAP account by beneficiary group				
	[Most recent year]	[Most recent year minus 1]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]
First year [if applicable] [See Instruction (2)]	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit
Second year	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit
Third year	See note 1	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit
Fourth year	See note 1	See note 1	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit

Note 1: The amount is not shown because the beneficiaries in this beneficiary group are not yet enrolled in that year of studies.

INSTRUCTION

The tables required in section 19.4 must list the five beneficiary groups that most recently reached their year of eligibility as at the date of the prospectus.

19.5 — If Beneficiary Does Not Complete or Advance in Eligible Studies

- (1) For a group scholarship plan, immediately under the sub-heading “If your beneficiary does not complete or advance in eligible studies”, state the following using the same or substantially similar wording:

If your beneficiary does not complete or advance in their program, they may lose one or more EAPs. This can happen if your beneficiary does not complete all

the courses required to advance to the next year of the program, decides to enrol in another program that is not considered an advancement from prior study, or drops out of school before completing their program.

[State, if applicable — Your beneficiary may be able to defer a payment if they go back to a qualifying program. Deferrals are at our discretion.]

- (2) Under the sub-heading “If your beneficiary does not complete or advance in eligible studies”, disclose available options if the beneficiary does not complete or advance in their program.
- (3) Disclose what happens to the earnings of the subscriber’s scholarship plan if the beneficiary does not complete or advance in their program. For a group scholarship plan, also provide a cross-reference to the disclosure provided under section 22.3 of Part C of this Form.

INSTRUCTIONS

- (1) *If the scholarship plan provides the option for a beneficiary to defer the payment of an EAP, state the period of time that an EAP may be deferred and the conditions and requirements that must be met to receive a deferred payment after the disclosure in the second paragraph of subsection 19.5(1).*
- (2) *If the details of an option provided under subsection 19.5(2) have been disclosed elsewhere in the prospectus, provide a cross-reference to the disclosure contained in the prospectus. For example, if a subscriber may cancel their scholarship plan and receive an AIP, provide a cross-reference to the disclosure provided under Item 17 and Item 20 of Part C of this Form.*

Item 20 — Accumulated Income Payments

20.1 — Accumulated Income Payments

- (1) Under the sub-heading “Accumulated income payments”, disclose
 - (a) the conditions or requirements necessary to receive an AIP,
 - (b) the components of an AIP,
 - (c) the option for a subscriber who has received an AIP to transfer the payment to a registered retirement savings plan, and
 - (d) any costs or other losses that the subscriber or the beneficiary could incur in receiving an AIP.

- (2) State whether there may be tax consequences as a result of receiving an AIP and provide a cross- reference to the disclosure provided under subsection 11.3(2) of Part B of this Form.

Item 21 — Discretionary Payments to Beneficiaries

21.1 — Discretionary Payments to Beneficiaries

- (1) Under the sub-heading “Discretionary payments”, if discretionary payments may be made to beneficiaries, state that beneficiaries may receive a discretionary payment in addition to their EAPs.
- (2) Disclose when discretionary payments are made.
- (3) State who decides whether a discretionary payment will be made and state the requirements or conditions that must be met in order to be eligible to receive a discretionary payment.
- (4) Disclose how the amount of discretionary payments is determined and the sources of funding for the discretionary payments.
- (5) Describe the circumstances that may affect the ability of the current sources of funding for the discretionary payments to continue to fund the discretionary payments.
- (6) State whether the investment fund manager or any other entity has put any mechanism in place to continue to make discretionary payments if any of the circumstances referred to in subsection (5) occur.
- (7) State whether the investment fund manager has established a funding and investment policy intended to ensure sufficient money is available to continue to fund discretionary payments at the historical levels reported in section 21.2 of Part C of this Form. Provide details of any funding policy and the current value of any fund. If no funding policy exists, state that fact and state the consequences of not having a policy.
- (8) State the following using the same or substantially similar wording with the first sentence in bold type:

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

21.2 — Historical Amount of Discretionary Payments

Provide information in the form of the following table about the historical discretionary payments made. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past discretionary payments” in bold:

Past discretionary payments

The table below shows the amount of discretionary payments paid per unit for the five beneficiary groups that most recently reached their year of eligibility.

It’s important to note that this doesn’t tell you if a beneficiary will receive a payment or how much they will receive. We may decide not to make these payments in future years. If we do make payments, they could be less than what we’ve paid in the past.

Discretionary payments by beneficiary group						
Year of studies	[Most recent year]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]	[Most recent year minus 5]	
First year <i>[if applicable]</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	
Second year	See note 1	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	
Third year	See note 1	See note 1	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	
Fourth year	See note 1	See note 1	See note 1	<i>[\$Specify amount] per unit</i>	<i>[\$Specify amount] per unit</i>	

Note 1: The amount is not shown because the beneficiaries in this beneficiary group are not yet enrolled in that year of studies.

INSTRUCTIONS

- (1) *If the scholarship plan offers an EAP payment option tailored to reduced programs and the amount of discretionary payment per unit is the same for each EAP payment option, state, if applicable, that beneficiaries who select the*

EAP payment option tailored to reduced programs may receive a lesser total amount of discretionary payments than beneficiaries who receive the largest number of EAPs.

- (2) *If the amount of discretionary payment per unit is not the same for each EAP payment option, provide information, substantially in the form of the table required in section 21.2, for the historical discretionary payments per unit for each EAP payment option tailored to reduced programs.*

Item 22 — Attrition

This Item applies to a group scholarship plan.

22.1 — Attrition

- (1) Under the heading “Attrition”, state the following using the same or substantially similar wording:

You and your beneficiary must meet the terms of the plan in order for your beneficiary to qualify for all of the EAPs under the plan. If beneficiaries fail to qualify for some or all of their EAPs, there will be fewer beneficiaries remaining in the beneficiary group to share the amount of money available for paying EAPs. This is known as “attrition”.

Your beneficiary may not qualify for some or all of their EAPs if:

- before the maturity date of the plan, you cancel your plan or transfer your plan to another RESP, or we cancel your plan because you failed to make contributions on schedule and did not take action to keep your plan in good standing. This is known as “pre-maturity attrition”; or
- after the maturity date of the plan, your beneficiary decides not to pursue a post-secondary education, does not attend a qualifying education program, or does not attend a qualifying education institution for the maximum period provided for in the plan. This is known as “post-maturity attrition”.

22.2 — Pre-Maturity Attrition

- (1) Under the sub-heading “Pre-maturity attrition”, state the following using the same or substantially similar wording:

If you leave the plan before it matures, you will get back your contributions less fees. You will not get back any earnings. The earnings on your contributions up to the time your plan is cancelled will go to the EAP account and be paid to the remaining beneficiaries in your beneficiary group as part of their EAPs.

(2) If the group scholarship plan permits a subscriber to receive an AIP on the earnings from government grants, state the following using the same or substantially similar wording:

You may, however, be eligible to receive an AIP on the earnings from the government grants in your plan. See "Accumulated income payments" for information on how to determine if you are eligible for an AIP from the plan.

(3) Provide information in the form of the following table about the income from cancelled units for each beneficiary group as at the scholarship plan's most recent financial year end. Introduce the table using the following wording or wording that is substantially similar with the title of the table "Income from cancelled units" in bold type:

Income from cancelled units

The table below shows the current value of the income from cancelled units by beneficiary group. The amount of income from cancelled plans available to beneficiaries after the maturity date will depend on how many subscribers cancel their plan, how many beneficiaries qualify for EAPs and the investment performance of the scholarship plan.

Beneficiary group	Percentage of units that have been cancelled	Total income from cancelled units available to remaining units	Income from cancelled units available to each remaining unit
<i>[Specify year of eligibility of oldest beneficiary group available for enrolment under the prospectus]</i>	<i>[Specify as percentage of total number of units purchased for beneficiary group]</i>	<i>[\$Specify amount]</i>	<i>[\$Specify amount] per unit</i>
<i>[Specify year of eligibility of next oldest beneficiary group available for enrolment under the prospectus]</i>	<i>[Specify as percentage of total number of units purchased for beneficiary group]</i>	<i>[\$Specify amount]</i>	<i>[\$Specify amount] per unit</i>
⋮			
<i>[Specify year of eligibility of youngest beneficiary group available for enrolment under the prospectus]</i>	<i>[Specify as percentage of total number of units purchased for beneficiary group]</i>	<i>[\$Specify amount]</i>	<i>[\$Specify amount] per unit</i>

- (4) Provide information in the form of the following table about the pre-maturity attrition rate for the scholarship plan. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Plans that did not reach maturity” in bold type:

Plans that did not reach maturity:

The table below shows the percentage of plans that did not reach maturity for each of the five beneficiary groups shown below. The most common reasons why plans did not reach maturity were because the subscriber cancelled their plan, we cancelled their plan due to a default, the subscriber transferred to another type of plan we offer, or the subscriber transferred to another RESP provider.

Of the last five beneficiary groups of the *[insert name of group scholarship plan]*, an average of *[see Instruction (1)]*% of the plans in each group were cancelled before their maturity dates.

Maturity date of beneficiary group	Percentage of plans that did not reach maturity
[Most recent maturity date by year]	[See Instruction (2)]%
[Most recent maturity date by year minus 1]	[See Instruction (2)]%
[Most recent maturity date by year minus 2]	[See Instruction (2)]%
[Most recent maturity date by year minus 3]	[See Instruction (2)]%
[Most recent maturity date by year minus 4]	[See Instruction (2)]%
Average	[See Instruction (1)]%

INSTRUCTIONS

- (1) *Disclose the average rate required under subsection 22.2(3) using the same calculation set out in the Instructions that apply to Item 9 of Part A of this Form.*

(2) For each beneficiary group that had a maturity date in the five most recent years, calculate the percentage of plans that did not reach maturity by following Instructions (2) to (5) that apply to Item 9 of Part A of this Form.

22.3 — Post-Maturity Attrition

(1) Under the sub-heading “Post-maturity attrition”, state the following using the same or substantially similar wording:

If your beneficiary does not pursue or complete eligible studies, you will get back your contributions, less fees. You will not get back any earnings. *[Insert if applicable – A beneficiary may lose one or more EAPs if they do not enrol in four years of eligible studies.]*

(2) Provide information in the form of the following table about the EAP payment rates of the scholarship plan after maturity. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past payments of EAPs” in bold:

Past payments of EAPs *[state if the scholarship plan offers an EAP payment option tailored to reduced programs — four years of eligible studies]*

The table below shows the percentage of beneficiaries who received the maximum of *[insert maximum number of EAPs payable under the scholarship plan]* EAPs under the plan and those who received some or no EAPs, for each of the five beneficiary groups that would have most recently completed their eligible studies.

	Beneficiary group [See Instruction (1)]				
	[Most recent year]	[Most recent year minus 1]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]
Beneficiaries who received all [3 or 4] EAPs	<i>[Specify percentage]</i> % <i>[See Instructions (2) and (3)]</i>	<i>[Specify percentage]</i> %	<i>[Specify percentage]</i> %	<i>[Specify percentage]</i> %	<i>[Specify percentage]</i> %
Beneficiaries who received only 3 out of 4 EAPs [as applicable]	<i>[Specify percentage]</i> %	<i>[Specify percentage]</i> %	<i>[Specify percentage]</i> %	<i>[Specify percentage]</i> %	<i>[Specify percentage]</i> %

Beneficiaries who received only 2 out of [3 or 4] EAPs	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]
Beneficiaries who received only 1 out of [3 or 4] EAPs	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]
Beneficiaries who received no EAPs	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]
Total	100%	100%	100%	100%	100%

- (3) If the scholarship plan offers an EAP payment option tailored to reduced programs, provide information in the form of the following table about the EAP payment rates of the scholarship plan after maturity. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past payments of EAPs [*— [specify reduced number of years]-year program]*” in bold:

Past payments of EAPs [*— [specify reduced number of years]-year program]*

For EAP payment options tailored to eligible studies of [*specify reduced number of years]* years, the table[s] below show[s] the number of beneficiaries who received all of their EAPs and the number who received some or none of their EAPs, for each of the five beneficiary groups that would have most recently completed their eligible studies.

	Beneficiary group [See Instruction (1)]				
	[Most recent year]	[Most recent year minus 1]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]
Beneficiaries who received [all] [1, 2, or 3] EAP[s]	[Specify percentage] %] [See Instructions (2) – (4)]	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]
Beneficiaries who received only 2 out	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]	[Specify percentage] %]

of 3 EAPs [as applicable]					
Beneficiaries who received only 1 out of [2 or 3] EAPs [as applicable]	[Specify percentage]]%	[Specify percentage]]%	[Specify percentage]]%	[Specify percentage]]%	[Specify percentage]]%
Beneficiaries who received no EAPs	[Specify percentage]]%	[Specify percentage]]%	[Specify percentage]]%	[Specify percentage]]%	[Specify percentage]]%
Total	100%	100%	100%	100%	100%

- (4) Disclose in a footnote to the tables required under subsections (2) and (3) any change to the EAP payout option available to beneficiaries, if a change occurred in the past five years.

INSTRUCTIONS

- (1) *In the tables required under subsections 22.3(2) and (3), present the five most recent beneficiary groups by year of eligibility for which the maximum number of EAPs under the EAP payment option has been paid as at the most recent financial year end of the scholarship plan and beneficiaries in the beneficiary group have no further opportunity to collect EAPs. For example, do not include a beneficiary group that has been eligible to be paid only one EAP if the maximum number of EAPs payable is four.*

- (2) *For a group scholarship plan that does not offer EAP payment options tailored to reduced programs, calculate each percentage as a percentage of the total number of beneficiaries in the beneficiary group at the maturity date.*

For a group scholarship plan that offers EAP payment options tailored to reduced programs, calculate each percentage as a percentage of the total number of beneficiaries in the beneficiary group at the maturity date who selected the relevant payment option.

- (3) *Present the percentages as at the financial year end referred to in Instruction (1).*
- (4) *For a group scholarship plan that offers EAP payment options tailored to reduced programs, in response to subsection 22.3(3), prepare a table for each payout option, modifying the number of rows in the table as applicable. For example, for a scholarship plan that provides the option to elect payment of two EAPs for a 3-*

year program, present a table containing rows to show the number of beneficiaries who received two out of two EAPs, the number of beneficiaries who received only one out of two EAPs and the number of beneficiaries who received no EAPs.

Item 23 — Other Material Information

23.1 — Other Material Information

- (1) Under the heading “Other important information”, state any other material facts relating to the securities being offered that are not disclosed under any other item in this Form and are necessary for the prospectus to contain full, true and plain disclosure of all material facts about the securities to be distributed.
- (2) Provide any specific disclosure required to be disclosed in a prospectus under securities legislation that is not otherwise required to be disclosed by this Form.
- (3) Subsection (2) does not apply to requirements of securities legislation that are form requirements for a prospectus.

INSTRUCTIONS

- (1) *Sub-headings that are not mandated by this Form may be used in this Item.*
- (2) *For a single prospectus, provide this disclosure either under this Item or under Item 14 of Part B of this Form, whichever is more appropriate.*
- (3) *For a multiple prospectus, provide this disclosure under this Item if the disclosure does not pertain to all of the scholarship plans described in the document. If the disclosure pertains to all of the scholarship plans described in the Detailed Plan Disclosure, provide the disclosure under Item 14 of Part B of this Form.*

Part D — Detailed Plan Disclosure - Information about the Organization

Item 1 — Legal Structure of the Scholarship Plan

1.1 — Legal Structure

- (1) At the top of the first page of the Part D section of the prospectus, under the heading “About [*insert name of the scholarship plan provider*]” with the sub-heading “An overview of the structure of our plan[s]”, state the full corporate name of the scholarship plan or, if the scholarship plan is an unincorporated entity, the full name under which it carries on business, and the address of its head or registered office.
- (2) State the names of the scholarship plan’s directors, officers, trustees and partners, as applicable.

- (3) State the laws under which the scholarship plan was formed or, if the scholarship plan is an unincorporated entity, the laws under which it carries on business, and the date and manner of its formation.
- (4) Identify the constating documents of the scholarship plan and, if any material amendments have occurred in the last 10 years, state that the constating documents have been amended in the last 10 years and describe the amendments.
- (5) If the scholarship plan's name has changed in the last 10 years, state the scholarship plan's former name and the date(s) on which it was changed.

INSTRUCTION

The information required for this Item may be presented in the form of a table.

Item 2 — Organization and Management Details

2.1 — Directors and Officers of the Plan

- (1) Under the sub-heading "Directors and officers of the Plan", list the names, the municipality of residence or postal address, and the principal occupations at, or within the five years preceding the date of the prospectus, of all directors or executive officers of the scholarship plan.
- (2) If the principal occupation of a director or executive officer of the scholarship plan is that of a partner, director or officer of a company other than the scholarship plan, state the business in which the company is engaged.
- (3) If a director or executive officer of a scholarship plan has held more than one position in the scholarship plan, state only the first and last positions held.

2.2 — Investment Fund Manager

- (1) Under the sub-heading "Manager of the scholarship plan", state the name, address, telephone number, e-mail address and, if applicable, website address of the investment fund manager of the scholarship plan.
- (2) Provide particulars of the investment fund manager, including the legal structure of the investment fund manager, the history and background of the investment fund manager.
- (3) Under the sub-sub-heading "Duties and services to be provided by the manager", describe the duties and services provided by the investment fund manager of the scholarship plan.

- (4) Under the sub-sub-heading "Details of the management agreement", provide a brief description of the essential terms of any agreement with the investment fund manager entered into or to be entered into with the scholarship plan, including any termination rights.
- (5) Under the sub-sub-heading "Officers and directors of the manager", state
- (a) the name and municipality of residence of each partner, director and executive officer of the investment fund manager and indicate the respective positions held with the investment fund manager and their respective principal occupations within the five preceding years,
 - (b) if a partner, director or executive officer of the investment fund manager has held more than one office with the investment fund manager within the past five years, state only the current office held, and
 - (c) if the principal occupation of a partner, director or executive officer of the investment fund manager is with an organization other than the investment fund manager, state the principal business in which the organization is engaged.
- (6) Under the sub-sub-heading "Cease trade orders and bankruptcies",
- (a) if applicable, state if a partner, director or executive officer of the investment fund manager, the scholarship plan, the foundation or any other entity responsible for the day-to-day administration of the scholarship plan is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any other issuer, that was
 - (i) subject to an order that was issued while the partner, director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer, or
 - (ii) was subject to an order that was issued after the partner, director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer, and
 - (b) if a statement is required by paragraph (a), describe the basis on which the order was made and whether the order is still in effect.
- (7) For the purposes of subsection (6), "order" means any of the following, if in effect for a period of more than 30 consecutive days:
- (a) a cease trade order;

- (b) an order similar to a cease trade order;
 - (c) an order that denied the relevant issuer access to any exemption under securities legislation.
- (8) If applicable, state if a partner, director or executive officer of the investment fund manager, the scholarship plan, the foundation or any other entity responsible for the day-to-day administration of the scholarship plan
- (a) is, as at the date of the prospectus or pro forma prospectus, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a partner, director or executive officer of any issuer that, while that person was acting in that capacity, or within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or
 - (b) within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the partner, director or executive officer.

INSTRUCTIONS

- (1) *If any of the duties or functions of the investment fund manager are performed by another entity, the disclosure required under subsections (2), (3), (4) and (5) must also be provided for that entity.*
- (2) *The disclosure required by subsections (6) and (8) also applies to any personal holding companies of any of the persons referred to in subsections (6) and (8).*
- (3) *A management cease trade order that applies to directors and executive officers of the scholarship plan is an "order" for the purposes of paragraph (10)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was specifically named in the order.*

2.3 - Trustee

Under the sub-heading "Trustee", provide details of the trustee of the scholarship plan, including the municipality and the province or country where the trustee principally provides its services to the scholarship plan.

2.4 – The Foundation

- (1) Under the sub-heading “The Foundation”, state the name and municipal address of the Foundation.
- (2) Describe the role of the Foundation, including its mandate and responsibilities.
- (3) List the names and municipality of residence of the directors and executive officers of the Foundation, the respective positions and offices held with the Foundation, and their respective principal occupations at, or within the five years preceding, the date of the prospectus.
- (4) If a director or executive officer of the Foundation has held more than one office with the Foundation within the last five years, state only the current office held.
- (5) If the Foundation provides reports of its activities to subscribers, provide information about how frequently reports are prepared, how a subscriber may obtain a copy of the report, and whether there is any cost to obtaining a report.

2.5 — Independent Review Committee

- (1) Under the sub-heading “Independent review committee”, briefly describe the independent review committee of the scholarship plan, including
 - (a) the mandate and responsibilities of the independent review committee, and
 - (b) the composition of the independent review committee, including the names of its members, and the reasons for any change in its composition since the date of the most recently filed prospectus of the scholarship plan, as applicable.
- (2) State the following using the same or substantially similar wording:

At least annually, the independent review committee prepares a report of its activities for subscribers that is available on the [scholarship plan’s/investment fund family’s] Internet site at [insert scholarship plan’s Internet site address], or at the subscriber’s request at no cost, by contacting the [scholarship plan/investment fund family] at [scholarship plan’s/investment fund family’s email address].

2.6 – Other Groups

Under separate sub-headings with the name of each applicable body or group, provide detailed information describing any other body or group that has responsibility for plan governance or performs any kind of oversight function over the scholarship plan and its activities, and the extent to which its members are independent of the investment fund manager of the scholarship plan.

INSTRUCTION

For greater certainty, an applicable body or group includes any committees or sub-committees of the investment fund manager or the Foundation that are established for a specific purpose in respect of the scholarship plan, as well as any third-party dispute resolution service to which the scholarship plans belong or subscribe to.

2.7 — Remuneration of Directors, Officers, Trustees and Independent Review Committee Members

- (1) Under the sub-heading “Compensation of directors, officers, trustees, and independent review committee members”, if the management functions of the scholarship plan are carried out by employees of the scholarship plan, provide for each employee the disclosure concerning executive compensation that is required to be provided for executive officers of an issuer under securities legislation.
- (2) Describe any arrangements under which compensation was paid or payable directly or indirectly by the scholarship plan during the most recently completed financial year of the scholarship plan, for the services of the directors of the scholarship plan, the directors of the Foundation or other independent board of governors or advisory board that may perform a similar function, and the members of the independent review committee of the scholarship plan and include the amounts paid, the name of the individual and any expenses reimbursed by the scholarship plan to the individual:
 - (a) in any of those capacities, including any additional amounts payable for committee participation or special assignments;
 - (b) in the capacity as a consultant or expert.
- (3) For a scholarship plan that is a trust, describe the arrangements, including the amounts paid and expenses reimbursed, under which compensation was paid or payable by the scholarship plan during the most recently completed financial year of the scholarship plan for the services of the trustee or trustees of the scholarship plan.

INSTRUCTION

The disclosure required under subsection 2.5 (1) regarding executive compensation for management functions carried out by employees of a scholarship plan must be made in accordance with the disclosure requirements of Form 51-102F6 Statement of Executive Compensation.

2.8 — Portfolio Adviser

- (1) Under the sub-heading "Portfolio adviser" if the investment fund manager provides portfolio management services in connection with the scholarship plan, state that fact.
- (2) If the investment fund manager does not provide portfolio management services to the scholarship plan, state the name(s) and municipality and the province or country of the principal or head office for each portfolio adviser of the scholarship plan.
- (3) State
 - (a) the extent to which investment decisions are made by certain individuals employed by the investment fund manager or a portfolio adviser and whether those decisions are subject to the oversight, approval or ratification of a committee, and
 - (b) the name, title and length of time of service of the persons employed by or associated with the investment fund manager or a portfolio adviser of the scholarship plan who are principally responsible for the day-to-day management of a material portion of the portfolio of the scholarship plan, implementing a particular material strategy or managing a particular segment of the portfolio of the scholarship plan, and each person's business experience in the last five years.
- (4) Under the sub-sub-heading "Details of the portfolio advisory agreement", provide a brief description of the essential details of any portfolio advisory agreement that a portfolio adviser has entered into or will be entering into with the scholarship plan or the investment fund manager of the scholarship plan, including any termination rights.

2.9 — Principal Distributor

- (1) Under the sub-heading "Principal distributor", state the name and address of the principal distributor of the scholarship plan.
- (2) Describe the circumstances under which any agreement with the principal distributor of the scholarship plan may be terminated, and include a brief description of the essential terms of this agreement.

2.10 — Dealer Compensation

- (1) Under the sub-heading "Dealer compensation", describe
 - (a) all compensation payable by members of the organization of the scholarship plan to all principal distributors and any participating dealers of the scholarship plan, and

- (b) the sales practices followed by the members of the organization of the scholarship plan for distribution of securities of the scholarship plan.
- (2) Disclose, under the sub-sub-heading "Dealer compensation from management fees", the approximate percentage obtained from a fraction
- (a) the numerator of which is the aggregate amount of cash paid to registered dealers in the last completed financial year of the investment fund manager of the scholarship plan, for payments made
 - (i) by
 - (A) the investment fund manager of the scholarship plan, or
 - (B) an associate or an affiliate of the investment fund manager,
 - (ii) in order to
 - (A) pay compensation to registered dealers in connection with the distribution of securities of the scholarship plan or scholarship plans that are members of the same investment fund family as the scholarship plan, or
 - (B) pay for any marketing, fund promotion or educational activity in connection with the scholarship plan or scholarship plans that are members of the same investment fund family as the scholarship plan, and
 - (b) the denominator of which is the aggregate amount of management or administrative fees received by the investment fund manager of the scholarship plan and all other scholarship plans in the same investment fund family as the scholarship plan in the last completed financial year of the investment fund manager.

INSTRUCTIONS

- (1) *Briefly state the compensation paid and the sales practices followed by the members of the organization of the scholarship plan in a concise and explicit manner. The term "member of the organization" has the same meaning as in NI 81-105, except that "scholarship plan" is substituted for "mutual fund" in this Form.*
- (2) *The disclosure presented under this Item must be described as information about the approximate percentage of management fees paid by scholarship plans in the same investment fund family as the scholarship plan that were used to fund commissions or other promotional activities of the investment fund family in the most recently completed financial year of the investment fund manager of the scholarship plan.*

- (3) *The calculations made under this Item must take into account the payment of sales commissions, other commissions and the costs of participation in co-operative marketing, fund promotion and educational conferences.*
- (4) *If the investment fund manager of the scholarship plan charges an "all-inclusive fee", which includes the management or administrative fee, and other types of fees normally paid by the scholarship plan, such as custodian, trustee or portfolio management fees, only the portion of that all-inclusive fee that is attributable to the management or administrative fees payable to the investment fund manager must be used in calculating the denominator referred to in paragraph 2.10(2)(b).*

2.11 — Custodian

- (1) Under the sub-heading "Custodian", state the name, municipality of the principal or head office, and nature of business of the custodian and any principal sub-custodian of the scholarship plan.
- (2) Describe generally the sub-custodial arrangements of the scholarship plan.

INSTRUCTION

A "principal sub-custodian" is a sub-custodian to whom custodial authority has been delegated in respect of a material portion or segment of the portfolio assets of the scholarship plan.

2.12 — Auditor

Under the sub-heading "Auditor", state the name and address of the auditor of the scholarship plan.

2.13 — Transfer Agent and Registrar

Under the sub-heading "Transfer agent and registrar", for each class or series of securities offered by the scholarship plan under the prospectus, state the name of the scholarship plan's transfer agent(s), registrar(s), trustee, or other agent appointed by the scholarship plan to maintain the securities register and the register of transfers for such securities and indicate the location (by municipalities) of each of the offices of the scholarship plan or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

2.14 — Promoter

- (1) Under the sub-heading "Promoter", for a person or company that is, or has been within the two years immediately preceding the date of the prospectus or pro forma prospectus, a promoter of the scholarship plan, and if that person or

company is not otherwise identified as the investment fund manager or dealer of the scholarship plan, state

- (a) the person or company's name and municipality and the province or country of residence,
 - (b) the number and percentage of each class or series of voting securities and equity securities of the scholarship plan or any of its subsidiaries owned, or controlled or directed, directly or indirectly, by the person or company,
 - (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind, received or to be received by the promoter, directly or indirectly from the scholarship plan or from an associate or an affiliate of the scholarship plan, and the nature and amount of any assets, services or other consideration received or to be received by the scholarship plan, or an associate or an affiliate of the scholarship plan, in return, and
 - (d) for an asset acquired within the two years before the date of the preliminary prospectus or pro forma prospectus, or to be acquired, by the scholarship plan or by an associate or an affiliate of the scholarship plan from a promoter,
 - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,
 - (ii) the person or company making the determination referred to in subparagraph (i) and the person's or company's relationship with the scholarship plan, the promoter or an associate or an affiliate of the scholarship plan or of the promoter, and
 - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.
- (2) If a promoter referred to in subsection (1) is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any person or company that was subject to an order that was issued while the promoter was acting in the capacity of director, chief executive officer or chief financial officer, state the fact and describe the basis on which the order was made and whether the order is still in effect.
- (3) If a promoter referred to in subsection (1) is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any person or company that was

subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, state that fact and describe the basis on which the order was made and whether the order is still in effect.

- (4) For the purposes of subsections (2) and (3), "order" means any of the following, if in effect for a period of more than 30 consecutive days:
 - (a) a cease trade order;
 - (b) an order similar to a cease trade order;
 - (c) an order that denied the relevant person or company access to any exemption under securities legislation.

- (5) State if a promoter referred to in subsection (1):
 - (a) is, as at the date of the prospectus or pro forma prospectus, as applicable, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a partner, director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
 - (b) within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceeding, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

INSTRUCTIONS

- (1) *The disclosure required by subsections (2), (3) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (3), and (5).*
- (2) *A management cease trade order that applies to a promoter referred to in subsection (1) is an "order" for the purposes of subsections (2) and (3) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*
- (3) *The disclosure requirement in subsection (2) applies only if the promoter was a director, chief executive officer or chief financial officer when the order was*

issued against the person or company. The scholarship plan does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.

2.15 — Other Service Providers

Under the sub-heading “Other service providers”, state the name, municipality of the principal or head office, and the nature of business of each other person or company that provides services relating to portfolio valuation, securityholder records, fund accounting or other material services, in respect of the scholarship plan, and describe the material features of the contractual arrangements by which the person or company has been retained.

2.16 — Ownership of the Investment Fund Manager and Other Service Providers

- (1) The information required in response to this Item must be given as of a specified date within 30 days before the date of the prospectus.
- (2) Under the sub-heading “Ownership of the manager and other service providers”, disclose the percentage of securities of each class or series of voting securities of the investment fund manager of the scholarship plan owned of record or beneficially by each person or company that owns of record, or is known by the investment fund manager to beneficially own more than 10% of any class or series of voting securities of the investment fund manager, and disclose whether the securities are owned both of record and beneficially, of record only, or beneficially only.
- (3) For any person or company that is named in response to subsection (2), disclose the name of any person or company of which the first-mentioned person or company is a “controlled entity”.
- (4) If any person or company named in subsection (2) owns of record or beneficially, more than 10% of any class or series of voting securities of the principal distributor of the scholarship plan, disclose the number and percentage of securities of the class or series so owned.
- (5) Disclose the percentage of securities of each class or series of voting or equity securities beneficially owned in aggregate,
 - (a) by all the directors and executive officers of the scholarship plan in each of
 - (i) the investment fund manager, and
 - (ii) any person or company that provides services to the scholarship plan or the investment fund manager; and

- (b) by all the directors and executive officers of the investment fund manager of the scholarship plan in each of
 - (i) the investment fund manager, and
 - (ii) any person or company that provides services to the scholarship plan or the investment fund manager;
- (c) by all the members of the independent review committee of the scholarship plan in each of
 - (i) the investment fund manager, and
 - (ii) any person or company that provides services to the scholarship plan or the investment fund manager; and
- (d) by all the directors and executive officers of the foundation in each of
 - (i) the investment fund manager, and
 - (ii) any person or company that provides services to the scholarship plan or the investment fund manager.

INSTRUCTION

A person or company is a "controlled entity" of another person or company if any of the following apply:

- (a) *in the case of the person or company*
 - (i) *voting securities of the first-mentioned person or company carrying more than 50% of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the second-mentioned person or company, and*
 - (ii) *the votes carried by the securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned person or company;*
- (b) *in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or company holds more than 50% of the interests in the partnership;*
- (c) *in the case of a limited partnership, the general partner is the second-mentioned entity or company.*

2.17 — Affiliates of the Investment Fund Manager

- (1) If any person or company that provides services to the scholarship plan or the investment fund manager in relation to the scholarship plan is an affiliate of the investment fund manager, illustrate the relationships of those affiliates in the form of an appropriately labelled diagram, under the sub-heading “Affiliates of the manager”.
- (2) Identify any individual who is a director or executive officer of the scholarship plan or the investment fund manager and also of any affiliate of the investment fund manager described in response to subsection (1), and give particulars of the relationship.

Item 3 — Experts

3.1 — Names of Experts

Under the heading “Experts who contributed to this prospectus”, name each person or company

- (a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or any amendment to the prospectus, and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

3.2 — Interests of Experts

- (1) Disclose all registered or beneficial ownership in any securities, assets or other property of the scholarship plan or of an associate or an affiliate of the scholarship plan received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the scholarship plan prospectus or prepared or certified a report, valuation, statement or opinion described or included in the prospectus.
- (2) For the purpose of subsection (1), if the ownership is less than 1%, a general statement to that effect is sufficient.
- (3) If an individual, or a director, officer or employee of a person or company, referred to in subsection (1), is or is expected to be elected, appointed or employed as a director, officer or employee of the scholarship plan or of any associate or affiliate of the scholarship plan, disclose that fact.
- (4) Despite subsection (1), an auditor who is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or has performed an audit in accordance with the U.S. GAAS is not required to provide the disclosure required by subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor’s rules of professional conduct in a

jurisdiction of Canada or that the auditor has complied with the SEC's rules on auditor independence.

INSTRUCTION

In addition to the scholarship plan's current auditor, the disclosure referred to in section 3.2 must be provided for the scholarship plan's predecessor auditor for those periods for which it was the scholarship plan's auditor.

Item 4 — Subscriber Matters

4.1 — Subscriber Matters

Under the heading, "Subscriber matters" and the sub-heading "Meetings of subscribers", describe the circumstances, processes and procedures for holding a subscriber meeting and for any extraordinary resolutions.

4.2 — Matters Requiring Subscriber Approval

Under the sub-heading "Matters requiring subscriber approval", describe the matters that require subscriber approval.

4.3 — Amendments to Declaration of Trust

For a scholarship plan established pursuant to a declaration of trust, under the sub-heading "Amendments to the declaration of trust", describe the circumstances, processes and procedures required to amend the declaration of trust.

4.4 — Reporting to Subscribers and Beneficiaries

Under the sub-heading "Reporting to subscribers and beneficiaries", describe the information or reports that will be delivered or made available to subscribers and beneficiaries and the frequency with which such information or reports will be delivered or made available to subscribers, including any requirements under securities legislation.

Item 5 — Business Practices

5.1 — Policies

Describe, under the heading "Business Practices" with the sub-heading "Our policies", the policies, practices and guidelines of the scholarship plan or the investment fund manager relating to business practices, sales practices, risk management controls and internal conflicts of interest and, if the scholarship plan or the investment fund manager of the scholarship plan has no such policies, practices or guidelines, state that fact.

5.2 – Brokerage Arrangements

- (1) If any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state, under the sub-heading “Brokerage arrangements”
 - (a) the process for, and factors considered in, selecting a dealer to effect securities transactions for the scholarship plan, including whether receiving goods or services in addition to order execution is a factor, and whether and how the process may differ for a dealer that is an affiliated entity,
 - (b) the nature of the arrangements under which order execution goods and services or research goods and services might be provided,
 - (c) each type of good or service, other than order execution, that might be provided, and
 - (d) the method by which the portfolio adviser makes a good faith determination that the scholarship plan, on whose behalf the portfolio adviser directs any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of any order execution goods and services or research goods and services, by the dealer or a third party, receives reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid.
- (2) Since the date of the last prospectus, if any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service by the dealer or a third party, other than order execution, state
 - (a) each type of good or service, other than order execution, that has been provided to the manager or portfolio adviser of the scholarship plan, and
 - (b) the name of any affiliated entity that provided any good or service referred to in paragraph (a), separately identifying each affiliated entity and each type of good or service provided by each affiliated entity.
- (3) If any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state that the name of any other dealer or third party that provided a good or service referred to in paragraph (2)(a), that was not disclosed under paragraph (2)(b), will be provided upon request by contacting the scholarship plan, and provide a telephone number and email address for the scholarship plan.

INSTRUCTION

Terms defined in National Instrument 23-102 Use of Client Brokerage Commissions have the same meaning where used in this Item.

5.3 — Valuation of Portfolio Investments

- (1) Under the sub-heading “Valuation of portfolio investments”, describe the methods used to value the various types or classes of portfolio assets of the scholarship plan and its liabilities.
- (2) If the valuation principles and practices established by the investment fund manager differ from Canadian GAAP, describe the differences.
- (3) If the investment fund manager has discretion to deviate from the scholarship plan’s valuation practices described in subsection (1), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three years, provide an example of how it has been exercised or, if it has not been exercised in the past three years, state that fact.

5.4 — Proxy Voting Disclosure for Portfolio Securities Held

- (1) Unless the scholarship plan invests exclusively in non-voting securities, under the sub-heading “Proxy voting”, describe the policies and procedures that the scholarship plan follows when voting proxies relating to portfolio securities, including
 - (a) the procedures followed when a vote presents a conflict between the interests of securityholders and those of the scholarship plan’s investment fund manager, portfolio adviser, or any associate or affiliate of the scholarship plan, its investment fund manager or its portfolio adviser, and
 - (b) any policies and procedures of the scholarship plan’s portfolio adviser, or any other third party that the scholarship plan follows, or that are followed on the scholarship plan’s behalf, to determine how to vote proxies relating to portfolio securities.
- (2) State the following:

The policies and procedures that the scholarship plan follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling [*insert toll-free/collect call telephone number*] or by writing to [*insert mailing address*].
- (3) State that the scholarship plan’s proxy voting record for the most recent period ended June 30 of each year is available free of charge to any securityholder of the scholarship plan upon request at any time after August 31 of that year.

Provide the scholarship plan's website address where the proxy voting record is available for review.

Item 6 – Conflicts of Interest

6.1 — Conflicts of Interest

Under the heading "Conflicts of interest", disclose particulars of existing or potential material conflicts of interest between

- (a) the scholarship plan and the foundation or any partner, director or executive officer of the foundation,
- (b) the scholarship plan and the investment fund manager or promoter or any partner, director or executive officer of the investment fund manager or promoter, and
- (c) the scholarship plan and the portfolio adviser or any partner, director or executive officer of the portfolio adviser of the scholarship plan.

6.2 — Interests of Management and Others in Material Transactions

- (1) Under the sub-heading "Interests of management and others in material transactions", describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the prospectus or pro forma prospectus that has materially affected or is reasonably expected to materially affect the scholarship plan:
 - (a) a partner, director or executive officer of the investment fund manager;
 - (b) a person or company that owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of the scholarship plan or the investment fund manager;
 - (c) an associate or an affiliate of any of the persons or companies referred to in paragraph (a) or (b).

Item 7 — Material Contracts

7.1 — Material Contracts

- (1) Under the heading "Key business documents", list and provide particulars of
 - (a) the subscribers' sales agreement or contract,
 - (b) the articles of incorporation, the declaration of trust or trust agreement of the scholarship plan or any other constating document,

- (c) any agreement of the scholarship plan or trustee with the investment fund manager of the scholarship plan,
 - (d) any agreement of the scholarship plan, the investment fund manager or trustee with the portfolio adviser of the scholarship plan,
 - (e) any agreement of the scholarship plan, the investment fund manager or trustee with the custodian of the scholarship plan,
 - (f) any agreement of the scholarship plan, the investment fund manager or trustee with the principal distributor of the scholarship plan,
 - (g) any other contract or agreement that can reasonably be regarded as material to an investor in the securities of the scholarship plan, and
 - (h) any contract or agreement with governmental bodies to assist beneficiaries in obtaining government grants and incentives.
- (2) State a reasonable time and place where the contracts or agreements listed in response to subsection (1) may be inspected by prospective or existing subscribers.
- (3) Include, in describing the particulars of a contract, the date of, parties to, consideration paid by the scholarship plan under, key terms including termination provisions of, and the general nature of the contract.

INSTRUCTION

Provide a list of all the contracts for which particulars must be given under this Item and indicating which of those contracts are described elsewhere in the prospectus, if applicable. Provide particulars only for those contracts that are not described elsewhere in the prospectus.

Item 8 — Legal Matters

8.1 — Exemptions and Approvals

Under the heading “Legal matters” with the sub-heading “Exemptions and approvals under securities laws”, describe all exemptions from or approvals under securities legislation that are not otherwise disclosed under Item 9 of Part B or Item 9 of Part C of this Form, as applicable, obtained by the scholarship plan or the investment fund manager that continue to be relied upon by the scholarship plan or the investment fund manager, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 19.3 of the Instrument.

8.2 — Legal and Administrative Proceedings

- (1) Under the sub-heading “Legal and administrative proceedings”, describe briefly any ongoing legal and administrative proceedings material to the scholarship plan, to which the scholarship plan, the investment fund manager, the promoter, the foundation, or the principal dealer is a party.
- (2) For all matters disclosed under subsection (1), state
 - (a) the name of the court or agency having jurisdiction,
 - (b) the date on which the proceeding commenced,
 - (c) the principal parties to the proceeding,
 - (d) the nature of the proceeding and, if applicable, the amount claimed, and
 - (e) whether the proceedings are being contested and the present status of the proceedings.
- (3) Provide similar disclosure about any proceedings known to be contemplated.
- (4) If the investment fund manager, the foundation, or promoter of the scholarship plan, or a director or officer of the scholarship plan or the partner, director or officer of the investment fund manager or the foundation has, within the 10 years before the date of the prospectus, been subject to any penalties or sanctions imposed by a court or securities regulator relating to trading in securities, promotion or management of an investment fund, or theft or fraud, or has entered into a settlement agreement with a regulatory authority in relation to any of these matters, describe the penalties or sanctions imposed and the ground on which they were imposed or the terms of the settlement agreement.

Item 9 — Certificates

9.1 — Certificate of the Scholarship Plan

Include a certificate of the scholarship plan in the following form:

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus, as required by the securities legislation of [insert the jurisdictions in which qualified].

9.2 — Certificate of the Investment Fund Manager

Include a certificate of the investment fund manager of the scholarship plan in the same form as the certificate of the scholarship plan.

9.3 — Certificate of the Principal Distributor

If there is a principal distributor of the scholarship plan, include a certificate of the principal distributor of the scholarship plan in the same form as the certificate of the scholarship plan.

9.4 — Certificate of the Promoter

If there is a promoter of the scholarship plan, include a certificate of each promoter of the scholarship plan in the same form as the certificate of the scholarship plan.

9.5 — Amendments

- (1) For an amendment to a scholarship plan prospectus that does not restate the prospectus, change “prospectus” to “prospectus dated [*insert date*] as amended by this amendment” wherever it appears in the statements in sections 9.1 to 9.4.
- (2) For an amended and restated scholarship plan prospectus, change “prospectus” to “amended and restated prospectus” wherever it appears in the statements in sections 9.1 to 9.4.