

FORM 14  
(section 66 of *The Securities Regulations*)  
*The Securities Act, 1988*

**Information Required in Prospectus of Finance Company**

Item 1 — Distribution Spread:

The information called for by the following table shall be given, in substantially the tabular form indicated on the first page of the prospectus as to all securities being offered for cash (estimate amounts, if necessary).

TABLE

	<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
	<i>Price to Public</i>	<i>Underwriting discounts or commissions</i>	<i>Proceeds to issuer or selling security-holder</i>
Per Unit	_____	_____	_____
Total	_____	_____	_____

**INSTRUCTIONS:**

1. Only commissions paid or payable in cash by the issuer or selling security holder or discounts granted are to be included in the table. Commissions or other consideration paid or payable in cash or otherwise by other persons or companies and consideration other than discounts granted and other than cash paid or payable by the issuer or selling security holder shall be set out following the table with a reference thereto in the second column of the table. Any finder's fees or similar payment shall be appropriately disclosed. Where debt securities are offered, the price to be public, the underwriting discounts and commission and the proceeds to the finance company, except with the consent of the Director, shall be expressed as a percentage.
2. The table should set out separately those securities which are underwritten, those under option and those to be sold on a "best efforts" basis.
3. If the presentation of information in the form contemplated results in unnecessary complication, the tabular form may, with the consent of the Director, be varied.
4. If it is impracticable to state the offering price, the method by which it is to be determined shall be explained. In addition, if the securities are to be offered at the market, indicate the market involved and the market price as of the latest practicable date.
5. If any of the securities offered are to be offered for the account of existing security holders, refer on the first page of the prospectus to the information called for by Instruction 4 to Item 30. State the portion of the expenses of distribution to be borne by the selling security holder.
6. If debt, securities are to be offered at a premium or a discount, state in bold fact type the effective yield if held to maturity.

**ITEM 2 — Plan of Distribution:**

- (a) If the securities being offered are to be sold through underwriters, give the names of the underwriters. State briefly the nature of the underwriters' obligation to take up and pay for the securities. Indicate the date by which the underwriters are to purchase the securities.
- (b) Outline briefly the plan of distribution of any securities being offered that are to be offered otherwise than through underwriters. Where there is a "best efforts" offering, indicate, where practicable, on the first page the minimum amount, if any, required to be raised, and also indicate, where practicable, the maximum amount that could be raised and the latest date that the offering is to remain open.

#### INSTRUCTIONS:

1. All that is required as to the nature of the underwriters' obligation is whether the underwriters are or will be committed to take up and pay for all of the securities if any are taken up, or whether the underwriting is merely an agency or "best efforts" arrangement under which the underwriters are required to take up and pay for only such securities as they may sell.
2. Where an underwriting is subject to a "market out" clause, a statement in the prospectus under Plan of Distribution should be made with respect to the "market out" clause.

A sample paragraph is as follows: —

#### *Plan of Distribution*

"Under an agreement dated \_\_\_\_\_ 19\_\_ between the company and \_\_\_\_\_ as underwriter, the company has agreed to sell and the underwriter has agreed to purchase on \_\_\_\_\_ 19\_\_ the \_\_\_\_\_ at a price of \$\_\_\_\_\_, payable in cash to the company against delivery.

The obligations of the underwriter under the agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter is,

however, obligated to take up and pay for all of the \_\_\_\_\_ if any of the \_\_\_\_\_ are purchased under the agreement".

#### ITEM 3 — Market for Securities:

Where no *bona fide* market exists, or will exist after the distribution, state in bold face type on the first page: "There is no market through which these securities may be sold". Disclose how the price paid to the company was established, whether by negotiation with the underwriter, arbitrarily by the company, or otherwise.

#### ITEM 4 — Summary of Prospectus

Give a synopsis near the beginning of the prospectus of that information in the body of the prospectus which in the opinion of the issuer or selling

security holder would be most likely to influence the investor's decision to purchase the security.

## INSTRUCTIONS

1. This summary should highlight in condensed form the information, both favourable and adverse, including risk factors in Item 14, particularly pertinent to a decision to purchase the securities offered, including information about both the issuer and the securities.
2. Appropriate cross references may be made to items in the prospectus where information is difficult to summarize accurately, but this shall not detract from the necessity to have the salient points summarized in the summary.

## ITEM 5 — Use of Proceeds to Issuer:

- (a) State the estimated net proceeds to be derived by the issuer from the sale of the securities to be offered, the principal purposes for which the net proceeds are intended to be used and the approximate amount intended to be used for each purpose.
- (b) State the particulars of any provisions or arrangements made for holding any part of the net proceeds of the issue in trust or subject to the fulfilment of any conditions.
- (c) Where the issuer is a related or connected issuer of an underwriter, state a summary of the nature of the relationship or connection between the underwriter and the issuer and state the extent to which the proceeds of the issue will be applied, directly or indirectly, for the benefit of the underwriter or any related issuer of the underwriter. Where the proceeds will not be applied for the benefit of the underwriter or any related issuer of the underwriter, so state. Make a cross-reference to the information in the prospectus required by item 32a.

## INSTRUCTIONS:

1. Statements as to the principal purposes to which the proceeds are to be applied are to be reasonably specific although details of the particulars of proposed expenditure are not to be given except as otherwise required hereunder. The phrase "for general corporate purposes" is, in most cases, not sufficient.
2. Include a statement regarding the proposed use of the actual proceeds if they should prove insufficient to accomplish the purposes set out, and the order of priority in which they will be applied. However, the statement need not be made if the underwriting arrangements are such that, if any securities are sold, it can be reasonably expected that the actual proceeds of the issue will not be substantially less than the estimated aggregate proceeds to the issuer as shown under Item 1.
3. If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds. If any material part of the proceeds is to be used to reduce or retire indebtedness, this item is to be answered as to the use of the proceeds of the indebtedness if the indebtedness was incurred within the two preceding years.
4. If any material amount of the proceeds is to be used directly or indirectly to acquire assets, otherwise than in the ordinary course of business, briefly describe the assets, and, where known, the particulars of the purchase price being paid for or being allocated to the respective categories of assets (including intangible assets) that are being acquired and, where practicable and meaningful, give the name of the person or company from whom the assets are to be acquired. State the cost of the assets to the issuer and the

principle followed in determining the cost. State briefly the nature of the title to or interest in the assets to be acquired by the issuer. If any part of the consideration for the acquisition of any of the assets consists of securities of the issuer, give brief particulars of the designation, number or amount, voting rights (if any) and other appropriate information relating to any class of securities, including particulars of any allotment or issuance of any such securities within the two preceding years.

5. See also item 32a.

#### ITEM 6 — Sales Otherwise than for Cash:

If any of the securities being offered are to be offered otherwise than for cash, state briefly the general purposes of the issue, the basis upon which the securities are to be offered, the amount of compensation paid or payable to any person or company and any other expenses of distribution, and by whom they are to be borne.

#### INSTRUCTION:

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

#### ITEM 7 — Share and Loan Capital Structure:

Furnish in substantially the tabular form indicated, or where appropriate in notes thereto:

- (1) particulars of the share and loan capital of the issuer;
- (2) particulars of the loan capital of each subsidiary of the issuer (other than loan capital owned by the issuer or its wholly-owned subsidiaries) whose financial statements are contained in the prospectus on either a consolidated or individual basis;
- (3) the aggregate amount of the minority interest in the preference shares, if any, and the aggregate amount of the minority interest in the common shares and surplus of all subsidiaries whose financial statements are contained in the prospectus on a consolidated basis; and
- (4) the aggregate amount of the minority interest in the preference shares, if any, and the aggregate amount of minority interest in the common shares and surplus of all subsidiaries whose financial statements are contained in the prospectus on an individual basis and not included in the consolidated financial statements.
- (5) Disclose any potential dilution of the assets per share and earnings per share in a computation, giving effect to the current issue and to all existing options, warrants and conversion rights in relation to any capital security of the finance company.

TABLE

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>	<i>Column 5</i>
<i>Designation of security</i>	<i>Amount authorized or outstanding as to be authorized</i>	<i>Amount of the date of</i>	<i>Amount outstanding as of a specific</i>	<i>Amount to be outstanding if all securities</i>

*the most recent date within 30 days being issued  
balance sheet days are sold  
contained in the  
prospectus*

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**INSTRUCTIONS:**

1. Include all indebtedness for borrowed money as to which a written understanding exists that the indebtedness may extend beyond one year. Include as an aggregate amount and by classes indebtedness payable within one year from the date of the balance sheet which is evidenced by drafts, bills of exchange, banker's acceptances or promissory notes.
2. Include in the table the amount of obligations under financial leases capitalized in accordance with generally accepted accounting principles. Set out in a note to the table a cross reference to any note in the financial statements containing information concerning the extent of obligations arising by virtue of other leases on real property.
3. Individual items of indebtedness which are not in excess of 3% of total assets as shown in the balance sheet referred to in Column 3 may be set out in a single aggregate amount under an appropriate caption such as "Sundry Indebtedness".
4. Where practicable, state in general terms the respective priorities of the indebtedness shown in the table.
5. Give particulars of the amount, general description of and security for any substantial indebtedness proposed to be created or assumed by the issuer or its subsidiaries, other than indebtedness offered by the prospectus.
6. Set out in a note the amount of contributed surplus and retained earnings as of the date of the most recent balance sheet contained in the prospectus.
7. Set out in a note the number of shares subject to rights, options and warrants.
8. No information need be given under Column 2 with respect to the common and preference shares of subsidiaries.
9. For the purposes of Column 3, in computing the amount of the minority interest in the subsidiaries whose financial statements are contained in the prospectus on an individual basis and not included in the consolidated financial statements, such computation may be based on the financial statements of each such subsidiary contained in the prospectus.
10. In computing the minority interest in the subsidiaries for the purposes of Column 4, the amount set out in Column 3 may be used provided that appropriate adjustment is made to such amount to reflect any change in the percentage of ownership in the capital and surplus of any subsidiary by the minority interest.
11. The thirty-day period referred to in Column 4 is to be calculated within thirty days of the date of the preliminary prospectus or the date of the *pro forma* prospectus. Where more than thirty days have elapsed from the date of the preliminary or *pro forma* prospectus, the information included in the prospectus shall, if feasible, be updated to a date within thirty days of the prospectus.
12. The information to be set out in Column 5 may be based upon the information contained in Column 4, adjusted to take into account any amounts set out in Column 4 to be retired out of the proceeds of the issue.

13. Where the amount outstanding as of a specific date within thirty days cannot be precisely calculated, so state; an estimated figure should be used, with a note indicating the basis of calculation and the reasons therefor.
14. In the case of short term notes issued on an agency basis, column 5, may, with the consent of the Director, be omitted.

## ITEM 8 — Operations of the Issuer:

Employing tabular form where appropriate, with such explanatory notes as are essential to an investor's appraisal of the securities being offered, set forth the following information in respect of the issuer, its subsidiaries and affiliates:

### Maturity of Receivables

- (a) Set out a schedule of receivables showing receivables:
  - (i) due in the current financial year;
  - (ii) due within the next subsequent financial year;
  - (iii) due within the two years next thereafter; and
  - (iv) due at any later date.

### Analysis of Outstanding Receivables

- (b) Give in tabular form, including, for example, wholesale, retail industrial, consumer loans, mortgages, leasing, business loans, dealer capital loans and any other type of loan constituting a significant class of business. Indicate the approximate amount and percentage of sales finance receivables covered by dealer endorsement or repurchase agreements.

### Funding Requirements

- (c) Show the aggregate current sinking fund requirements and maximum purchase fund requirements for the succeeding five years. Segregate this information according to the class and series of security covered. Do not repeat details given in the prospectus relating to the rights, privileges and preferences of each class of security ranking prior to or equally with such security. In addition, provide an analysis setting forth commitments which must be met both as to sinking fund requirements and the maturing of long term debt indicating the amount due within,
  - (i) one year;
  - (ii) one year to two years;
  - (iii) two years to three years;
  - (iv) three years to five years;
  - (v) five years to ten years; and
  - (vi) over ten years.

### Schedule of Current Position

- (d) Show the finance company's liquid capital position based on the financial position as of the date of the balance sheet in the prospectus both before and after giving effect to the proposed issue. Include assets which will be due within the next twelve months and the liabilities payable within the same period. Where there is a deficiency in

- liquid capital, explain the significance thereof having regard to the financial structure, the mode of operation of the company, and the prior experience of the company.
- (e) If the effective tax rate is significantly less than is normally paid by finance companies generally, explain the principal reasons for such tax rate.
  - (f) Indicate those subsidiaries and operations which have produced material operating losses within the preceding two financial years, giving details thereof.
  - (g) Set out the amounts of the finance company's credit losses for each of the preceding five financial years and show such amounts as a percentage of liquidations, and of average outstandings.

#### INSTRUCTION:

In answering this item, give appropriate details of the quality, collectibility and arrears of receivables and include an age analysis of accounts receivable, and the percentage of receivables refinanced after being in arrears for periods from three months to in excess of eighteen months.

#### ITEM 9 — Asset and Earnings Coverage:

Disclose asset and earnings coverage in an appropriate and reasonable form where required by section 81 of the regulations.

#### ITEM 10 — Name and Incorporation of Issuer:

State the full corporate name of the issuer and the address of its head office and principal office. State the laws under which the issuer was incorporated and whether incorporated by articles of incorporation or otherwise and the date the corporation came into existence. If material state whether these have been amended.

#### INSTRUCTIONS:

1. Particulars of the documents need be set out only if material to the securities offered by the prospectus. See Item 21.
2. If the issuer is not a company, give material details of its form of organization and structure.

#### ITEM 11 — Relationships With Other Companies:

Where the issuer has a parent, or one or more dominant interests exist, indicate the nature of the relationship between the issuer and the parent or dominant interest including,

- (a) Whether the issuer operates as an adjunct to the primary business of the parent or dominant interest.
- (b) What percentage of the voting securities by the issuer is owned by its parent, or by any dominant interest.
- (c) Whether the parent of, or dominant interest in, the issuer intends to make loans to the issuer.

- (d) Whether the issuer makes loans to or invests in securities of any affiliate or associate.
- (e) Any other basis of influence by the parent or dominant interest.

**INSTRUCTIONS:**

1. A dominant interest exists in a specified company when,
  - (i) that company is controlled by another person or company;
  - (ii) that company is an affiliate of another person or company other than a person or company controlled by it;
  - (iii) a person or company owns, directly or indirectly, more than 10 per cent of the voting securities of that company; or
  - (iv) when a person or company is customarily able to direct the operations of the company by virtue of:
    - a. management contracts,
    - b. licensing or franchise agreements,
    - c. options on voting securities,
    - d. escrow or pooling or voting trust agreements,
    - e. any other means.
2. Where any parent is a resident of, or a corporation or other organization formed under the laws of, any foreign country, give the name of such country for each such foreign parent, and, if the parent is a corporation or other organization, state briefly the nature of the organization.
3. If the existence of a dominant interest is open to reasonable doubt in any instance, the issuer may disclaim the existence of a dominant interest and any admission thereof; in such case, however, the issuer shall state the material facts pertinent to the possible existence of a dominant interest.

**ITEM 12 — Intercorporate Relationships**

- (a) Furnish a list of each subsidiary, other than inactive subsidiaries, of the issuer. As to each such subsidiary indicate the jurisdiction under the laws of which it was organized, and the percentage of voting securities owned by its parent.
- (b) Clearly illustrate by way of a diagram or otherwise the intercorporate relationships of the issuer, its parent and those subsidiaries listed pursuant to paragraph (a).
- (c) Where one of the primary businesses of the issuer is investing, reinvesting, owning, holding or trading in securities, give in substantially the tabular form indicated the following information as at a date within thirty days of the date of the preliminary prospectus or pro forma prospectus, with respect to each company 5 per cent or more of whose securities of any class are owned directly or indirectly by the issuer or its affiliates.

TABLE

<i>Name and address of company</i>	<i>Nature of its principal business book value of</i>	<i>Percentage of</i>	<i>Percentage of securities of any</i>
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*class beneficially owned, directly or indirectly*      *issuer's assets invested therein*

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**INSTRUCTIONS:**

1. If the securities being issued are to be issued in connection with, or pursuant to, a plan of acquisition, reorganization, readjustment, or succession, indicate insofar as practicable the status to exist upon consummation of the plan.
2. The name of any particular subsidiary may be omitted if
  - (a) – the assets of the subsidiary, or
    - the investments in and advances to the subsidiary by its parent and the parent's other subsidiaries,if any, do not exceed 10 per cent of the assets of the parent and its subsidiaries on a consolidated basis;
  - (b) the sales and operating revenues of the subsidiary do not exceed 10 per cent of the sales and operating revenues of its parent and the parent's subsidiaries on a consolidated basis; and
  - (c) the unnamed subsidiaries considered in the aggregate as a single subsidiary would satisfy the conditions in (a) and (b) if the reference therein to 10 per cent were replaced by 20 per cent.

**ITEM 13 — Description of Business:**

- (a) Briefly describe the business carried on and intended to be carried on by the issuer and its subsidiaries and the general development of the business within the five preceding years. Where a material proportion of the assets of the issuer and its subsidiaries is invested in or is derived from,
  - (i) financial services;
  - (ii) other services;
  - (iii) the distribution of products;
  - (iv) the production of production;
  - (v) real estate development;
  - (vi) investment in securities of companies other than subsidiaries; or
  - (vii) any other specific branch of the business,furnish in substantially the tabular form indicated, as at the date of the last balance sheet,
  - (i) the percentage of the consolidated assets of the issuer and its subsidiaries employed in each separate operation;
  - (ii) the percentage of the consolidated gross revenues of the issuer and its subsidiaries derived from each separate operation.

TABLE

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Separate operation in which a material proportion of assets are invested</i>	<i>Percentage of consolidated Assets, at book value, devoted thereto</i>	<i>Percentage of Gross Revenue derived therefrom</i>
1. Finance Company Services .....	.....	.....
2. Other Services .....	.....	.....
3. Distribution of Products.....	.....	.....
4. Production of Products .....	.....	.....
5. Real estate development .....	.....	.....
6. Investment in securities of companies other than subsidiaries .....	.....	.....
7. Any other specific branch of the business .....	.....	.....

- (b) If the issuer has carried on any business other than that of a finance company during the past five years, state the nature of such other business and give the approximate date on which the issuer commenced to operate principally as a finance company. If the issuer's name was changed during the period, state its former name and the date on which the name was changed.
- (c) If during the past two years any affiliate or associate of the issuer or its subsidiaries had any material interest, direct or indirect, in any transaction involving the purchase of any substantial amount of assets presently held by the issuer or any of its subsidiaries, describe the interest of the affiliate or associate in such transaction and state the cost of such assets to the purchaser and to the seller.
- (d) Where a material proportion of the consolidated assets or consolidated gross revenues of the issuer is invested in, or is derived from real property, state briefly the location and general character of the principal properties, including buildings and plants of the issuer and its subsidiaries. If any such property is not freehold property or is held subject to any major encumbrance, so state and briefly describe the nature of the title or any such encumbrance, as the case may be.
- (e) Where the primary business of the issuer, or of any subsidiary or affiliate, is investing, reinvesting, owning, holding or trading in securities, indicate whether such business is carried on by the issuer itself or by a subsidiary or affiliate, naming such subsidiary or affiliate together with a brief outline of its corporate history and structure and
  - (i) describe the policy or proposed policy with respect to each of the following types of activities, outlining the extent, if any, to which the issuer has engaged in such activities during the last five years and indicate which of such policies may not be changed without shareholder action:

- (a) the issuance of securities other than the securities offered,
- (b) the borrowing of money,
- (c) the underwriting of securities of other issuers,
- (d) the concentration of investments in a particular class or kind of industry,
- (e) the purchase and sale of real estate,
- (f) the purchase and sale of commodities or commodity future contracts,
- (g) the making of loans, whether secured or unsecured, and
- (h) any other policy which the issuer deems fundamental.

#### INSTRUCTIONS:

For the purpose of clause (g), the purchase of debt securities for investment purposes is not to be considered the making of a loan by the issuer.

- (ii) describe the investment policy of the issuer with respect to each of the following matters which is not described as a fundamental policy of the issuer under subparagraph (i) of this paragraph, indicating which of such investment policies may not be changed without shareholder action:
  - a. the type of securities (for example, bonds, preferred shares, common shares) in which it may invest, indicating the proportion of the assets which may be invested in each such type of security,
  - b. the percentage of assets which it may invest in the securities of any one company,
  - c. the percentage of securities of any one company which it may acquire.
  - d. investment in securities of companies for the purpose of exercising control or management,
  - e. investment in securities of mutual fund companies or other investment companies, and
  - f. any other investment policy not specified above or in subparagraph (i) of this paragraph which is set out in the issuer's articles of incorporation, other constituting documents, by-laws or regulations.

#### INSTRUCTIONS:

1. The description shall not relate to the powers and objects specified in the incorporating instruments, but to the actual business carried on and intended to be carried on. Include the business of subsidiaries of the issuer only in so far as is necessary to understand the character and development of the business conducted by the combined enterprise.
2. Outline such material facts as are essential to an investor's appraisal of the securities being offered. Where applicable, such information should be furnished as will reasonably inform investors as to the suitability, adequacy, productive capacity and extent of

utilization of the facilities used in the enterprise. Detailed descriptions of the physical characteristics of individual properties or legal descriptions by metes and bounds are not required and shall not be given.

3. In describing developments, information shall be given as to matters such as the nature and results of any bankruptcy, receivership or similar proceedings with respect to the issuer or any of its subsidiaries, the nature and results of any other material reorganization of the issuer or any of its subsidiaries and any material changes in the mode of conducting the business of the issuer or its subsidiaries.
4. In answering paragraph (c) of this item, transactions between the issuer and a wholly-owned subsidiary need not be disclosed.
5. The words "wholly-owned subsidiary" as used in this item include a subsidiary where directors and officers are beneficial owners of voting securities to the extent necessary to qualify as directors.
6. Indicate who or what group of persons is responsible for investment decisions, the granting of loans, and the establishing of bad-debt allowances.
7. Indicate whether the approval of the board of directors of the company is required for loans and acquisitions and whether the board of directors is comprised of nominees of the dominant interest in the finance company.
8. Instruction 1 to Item 11 applies to this item with due alteration for points of detail.

#### ITEM 14 — Risk Factors:

- (a) Where appropriate to a clear understanding by investors of the risk factors and speculative nature of the enterprise or the securities being offered, an introductory statement shall be made on the first page or in the summary of the prospectus, summarizing the factors which make the purchase a risk or speculation. Include such matters as the pro forma dilution of the investment based on net tangible assets and a comparison, in percentages, of the securities being offered for cash and those issued or to be issued to promoters, directors, officers, substantial security holders as defined in section 119 of the Act, and underwriters for cash, property and services. The information may be given in the body of the prospectus if an appropriate reference is made on the first page or in the summary of the prospectus to the risks and the speculative or promotional nature of the enterprise and a cross reference is made to the place in the prospectus where the information is contained.
- (b) Where there is a risk that purchasers of the securities offered may become liable to make an additional contribution beyond the price of the security, disclose any information or facts that may bear on the security holder's assessment of risk associated with the investment.

#### ITEM 15 — Acquisitions:

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

#### ITEM 16 — Variations in Operating Results:

Explain to the extent reasonably practicable any substantial variations, both favourable and adverse, in the operating results of the issuer over the last

three years, but the Commission may permit or require an explanation of such substantial variations over a longer period not to exceed five years.

**INSTRUCTION:**

The explanation should be in narrative form. However, where ratios are used to illustrate variations, a table may be used to supplement the narrative.

**ITEM 17 — Tax Status of Issuer:**

State in general terms the bases upon which the income and capital receipts of the issuer are taxed.

**ITEM 18 — Tax Status of Security holder:**

State in general terms the income tax consequences to the holders of the securities offered hereby of any distribution to such holders in the form of dividends or otherwise.

**ITEM 19 — Promoters:**

If any person or company is or has been a promoter of the issuer or of any of its subsidiaries within the five years immediately preceding the date of the preliminary prospectus or pro forma prospectus, furnish the following information:

- (a) State the names of the promoters, the nature and amount of anything of value (including money, property, contracts, options or rights of any kind) received or to be received by each promoter directly or indirectly from the issuer, or from any of its subsidiaries, and the nature and amount of any assets, services or other consideration therefor received or to be received by the issuer or subsidiary.
- (b) As to any assets acquired within the past two years or to be acquired by the issuer or by any of its subsidiaries from a promoter, state the amount at which acquired or to be acquired and the principle followed or to be followed in determining the amount. Identify the person making the determination and state his relationship, if any, with the issuer, any subsidiary or any promoter. State the date that the assets were acquired by the promoter and the costs thereof to the promoter.

**ITEM 20 — Legal Proceedings:**

Briefly describe any legal proceedings material to the issuer to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.

**INSTRUCTION:**

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

## ITEM 21 – Issuance of Shares:

- (a) If shares are being offered, state the description or the designation of the class of shares offered and furnish all material attributes and characteristics including, without limiting the generality of the foregoing, the following information:
  - (i) dividend rights;
  - (ii) voting rights;
  - (iii) liquidation or distribution rights;
  - (iv) pre-emptive rights;
  - (v) conversion rights;
  - (vi) redemption, purchase for cancellation or surrender provisions;
  - (vii) sinking or purchase fund provisions;
  - (viii) liability to further calls or to assessment by the issuer; and
  - (ix) provisions as to modification, amendment or variation of any such rights or provisions.
- (b) If the rights of holders of such shares may be modified otherwise than in accordance with the provisions attached to such shares or the provisions of the governing Act relating thereto, so state and explain briefly.

## INSTRUCTIONS:

1. This item requires only a brief summary of the provisions that are material from an investment standpoint. Do not set out verbatim the provisions attached to the shares; only a succinct resume is required.
2. If the rights attaching to the shares being offered are materially limited or qualified by the rights of any other class of securities, or if any other class of securities (other than obligations covered in Item 22), ranks ahead of or equally with the shares being offered, include information regarding such other securities that will enable investors to understand the rights attaching to the shares being offered. If any shares being offered are to be offered in exchange for other securities, an appropriate description of the other securities shall be given. No information need be given, however, as to any class of securities that is to be redeemed or otherwise retired, provided appropriate steps to assure redemption or retirement have been or will be taken prior to or contemporaneously with the delivery of the shares being offered.
3. In addition to the summary referred to in instruction 1, the issuer may set out verbatim in a schedule to the prospectus the provisions attaching to the shares being offered.

## ITEM 22 – Issuance of Obligations:

If obligations are being offered, give a brief summary of the material attributes and characteristics of the indebtedness and the security therefore including, without limiting the generality of the foregoing:

- (a) Provisions with respect to interest rate, maturity, redemption or other retirement, sinking fund and conversion rights.
- (b) The nature and priority of any security for the obligations, briefly identifying the principal properties subject to lien or charge.

- (c) Provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants (including restrictions against payment of dividends, restrictions against giving security on the assets of the issuer or its subsidiaries and the like) and provisions as to the release or substitution of assets securing the obligations, the modification of the terms and the security and similar provisions.
- (d) The name of the trustee under any indenture relating to the obligations and the nature of any material relationship between the trustee and the issuer or any of its affiliates.
- (e) Indicate any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

**INSTRUCTION:**

The instructions to Item 21 apply to this item with due alteration for points of detail.

**Item 23 – Issuance of Other Securities:**

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

**INSTRUCTION:**

The instructions to Item 21 apply to this item with due alteration for points of detail.

**ITEM 24 – Dividend Record:**

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

**INSTRUCTION:**

Dividends should be set out on a per share basis, shown separately for each class of shares in respect of each of the financial years. Appropriate adjustments shall be made to reflect changes in capitalization during the period.

**ITEM 25 – Directors and Officers:**

List the names and home addresses in full or, alternatively, solely the municipality of residence or postal address, of all directors and officers of the issuer and indicate all positions and offices with the issuer held by each person named, and the principal occupations within the five preceding years, of each director and officer.

## INSTRUCTIONS:

1. Where the municipality of residence or postal address is listed, the Commission may request that the home address in full be furnished to it.
2. Where the principal occupation of a director or officer is that of an officer of a company other than the issuer, state the principal business in which such company is engaged.
3. Where a director or officer has held more than one position in the issuer, or a parent or subsidiary thereof, state only the first and last position held.

## ITEM 26 – Executive Compensation

Complete and attach to or include in this form a Statement of Executive Compensation in Form 38.

## ITEM 27 – Indebtedness of Directors and Senior Officers in regard to:

- (i) each director and each senior officer of the company;
- (ii) each proposed nominee for election as a director of the company; and
- (iii) each associate or affiliate of any such director, senior officer or proposed nominee,

who is or has been indebted to the company or its subsidiaries at any time since the beginning of the last completed financial year of the company, state with respect to each such company or subsidiary the largest aggregate amount of indebtedness outstanding at any time during the last completed financial year, the nature of the indebtedness and of the transaction in which it was incurred, the amount thereof presently outstanding, and the rate of interest paid or charged thereon, but no disclosure need be made of routine indebtedness.

## INSTRUCTIONS:

1. “routine indebtedness” means indebtedness described in any of the following clauses:
  - (a) if an issuer makes loans to employees generally whether or not in the ordinary course of business then such loans shall be considered to be routine indebtedness if made on terms, including those as to interest or collateral, no more favourable to the borrower than the terms on which loans are made by the issuer to employees generally, but the amount at any time remaining unpaid under such loans to any one director, senior officer or proposed nominee together with his associates or affiliates that are treated as routine indebtedness under this clause (a) shall not exceed \$25,000;
  - (b) whether or not the issuer makes loans in the ordinary course of business, a loan to a director or senior officer shall be considered to be routine indebtedness if
    - (i) the borrower is a full-time employee of the issuer;
    - (ii) the loan is fully secured against the residence of the borrower, and
    - (iii) the amount of the loan does not exceed the annual salary of the borrower;
  - (c) where the issuer makes loans in the ordinary course of business, a loan shall be considered to be routine indebtedness if made to a person or company other than a full-time employee of the issuer, and if the loan:



- (i) is made on substantially the same terms, including those as to interest rate and collateral, as were available when the loan was made to other customers of the issuer with comparable credit ratings; and
  - (ii) involves no more than usual risks of collectibility; and
  - (d) indebtedness arising by reason of purchases made on usual trade terms or of ordinary travel or expense advances, or for similar reasons shall be considered to be routine indebtedness if the repayment arrangements are in accord with usual commercial practice.
2. State the name and home address in full or, alternatively, solely the municipality of residence or postal address of each person or company whose indebtedness is described.

## ITEM 28 – Options to Purchase Securities

Furnish (in tabular form, if possible) the information referred to in Instruction 1, as at a specified date not more than thirty days before the date of the preliminary prospectus or *pro forma* prospectus, as the case may be, as to options to purchase securities of the issuer or any of its subsidiaries that are held or proposed to be held:

- (i) by all executive officers as a group and all directors 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, without naming them;
- (ii) by all executive officers of all subsidiaries of the issuer as a group and all directors of such subsidiaries who are not also executive officers as a group, without naming them, excluding individuals referred to in clause (i);
- (iii) by all other employees of the issuer as a group, without naming them;
- (iv) by all other employees of the subsidiaries of the issuer as a group, without naming them; and
- (v) by any other person or company, naming each such person or company.

## INSTRUCTIONS:

1. Describe the options, stating the material provisions of each class or type of option including:
- (i) the designation and number of the securities under option;
  - (ii) the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of such options;
  - (iii) if reasonably ascertainable, the market value of the securities under option of the date of grant; and
  - (iv) if reasonably ascertainable, the market value of the securities under option on the specified date.
2. For the purposes of this Item:
- (i) “executive officer” means the chairman and any vice-chairman of the board of directors of an issuer who performs the functions of such office on a full-time basis, the president, any vice-president in charge of a principal business unit

such as sales, finance or production, and any officer of the issuer or of a subsidiary who performs a policy-making function in respect of the issuer, whether or not such officer is also a director of the issuer or the subsidiary;

- (ii) "options" includes all options, share purchase warrants or rights other than those shares issued on a pro rata basis, to all security holders of the same class resident in Canada and an extension of an option shall be deemed to be a granting of an option.
3. Options that are proposed to be held are those where there is an approval or understanding or commitment of the issuer or a subsidiary in respect of the granting of such options.
  4. In the disclosure made under this Item 28, do not include options granted or proposed to be granted that are otherwise disclosed in Item 1 or 2, including options granted or to be granted to the underwriter in respect of the distribution under the prospectus.

**ITEM 29 – Escrowed Securities:**

State as of a specified date within thirty days prior to the date of the preliminary prospectus or pro form prospectus, in substantially the tabular form indicated, the number of securities of each class of voting securities of the issuer to the knowledge of the issuer held in escrow, disclosing the name of the depositary, if any, the date of and the conditions governing the release of the securities from escrow:

TABLE

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Designation of class</i>	<i>Number of securities held in escrow</i>	<i>Percentage of class</i>
.....	.....	.....
.....	.....	.....
.....	.....	.....

**ITEM 30 – Principal Holders of Securities:**

Furnish the following information as of a specified date within thirty days prior to the date of the preliminary prospectus or pro forma prospectus, in substantially the tabular form indicated:

- (a) The number of securities of each class of voting securities of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known by the issuer to own beneficially, directly or indirectly, more than 10% of any class of such securities. Show in Column 3 whether the shares are owned both of record and beneficially, of record only, or beneficially only, and show in Columns 4 and 5 the respective amounts and percentages known by the issuer to be owned in each such manner.

TABLE

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>	<i>Column 5</i>
-----------------	-----------------	-----------------	-----------------	-----------------

<i>Name and Address</i>	<i>Designation of class</i>	<i>Type of ownership</i>	<i>Number of securities</i>	<i>Percentage of class</i>
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

(b) The percentage of securities of each class of voting securities of the issuer or any of its parents or its subsidiaries, beneficially owned, directly or indirectly, by all directors and senior officers of the issuer, as a group, without naming them:

TABLE

<i>Column 1</i>	<i>Column 2</i>
<i>Designation of class</i>	<i>Percentage of Class</i>

INSTRUCTIONS:

- Where a company is shown by the issuer as owning directly or indirectly more than 10% of any class of such securities, the Commission may require the disclosure of such additional information as is necessary to identify any individual who, through his direct or indirect ownership of voting securities in the company owns directly or indirectly more than 10% of any class of such securities. The name of such as individual should be disclosed in a footnote to the table described in paragraph (a).
- For the purposes of paragraph (a), securities owned beneficially, directly or indirectly, and of record shall be aggregated in determining whether any person or company owns more than 10% of the securities of any class.
- If voting securities are being offered in connection with, or pursuant to, a plan of acquisition, amalgamation or reorganization, indicate as far as practicable, the respective holdings of voting securities that will exist after giving effect to the plan.
- If any of the securities being offered are to be offered for the account of a security-holder name such security-holder and state the number or amount of the securities owned by him, the number or amount to be offered for his account, and the number or amount to be owned by him after the offering.
- If, to the knowledge of the issuer or the underwriter of the securities being offered, more than 10% of any class of voting securities of the issuer are held or are to be held subject to any voting trust or other similar agreement, other than an escrow arrangement referred to in Item 29, state the designation of such securities, the number or amount held or to be held and the duration of the agreement. Give the names and address of the voting trustees and outline briefly their voting rights and other powers under the agreement.
- If, to the knowledge of the issuer, the parent or the underwriter of the securities being offered, any person or company named in answer to paragraph (a) is an associate or affiliate of any other person or company named therein, disclose, in so far as known, the material facts of such relationship, including any basis for influence over the issuer enjoyed by the person or company other than the holding of the voting securities of the issuer.

7. The word "issuer" as used in this item and in the instruction thereto includes any subsidiary or affiliate of the issuer.

#### ITEM 31 – Prior Sales:

- (a) State the prices at which securities of the class offered by the prospectus have been sold within the past twelve months prior to the date of the preliminary prospectus or pro forma prospectus, or are to be sold, by the issuer or selling security-holder if such prices differ from those at which the securities are offered by the prospectus. State the number of securities sold or to be sold at each price.
- (b) Where the class of common shares or series of non-common shares offered are listed on a Canadian stock exchange or solely on a foreign stock exchange, give price ranges and volume traded on such stock exchange on a monthly basis for each month or, if applicable, part month of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters provided that the Commission may permit the omission of the information regarding trading volume.

#### INSTRUCTION:

In the case of sales by a selling security holder, the information required by paragraph (a) may be given in the form of price ranges for each calendar month.

#### ITEM 32 – Interest of Management and Others in material Transactions:

Describe briefly, and where practicable state the approximate amount of any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years prior to the date of the primary prospectus or pro forma prospectus, or in any proposed transaction which has materially affected or will materially affect the issuer or any of its subsidiaries:

- (i) any director or senior officer of the issuer;
- (ii) any shareholder named in answer to paragraph (a) of Item 30; and
- (iii) any associate or affiliate of any of the foregoing persons or companies.

#### INSTRUCTIONS:

1. Give a brief description of the material transaction. Include the name and address of each person or company whose interest in any transaction is described and the nature of the relationship by reason of which such interest is required to be described.
2. As to any transaction involving the purchase or sale of assets by or to the issuer or any subsidiary, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within two years prior to the transaction.
3. This item does not apply to any interest arising from the ownership of securities of the issuer where the security-holder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities or all other holders of the same class of securities who are resident in Canada.
4. Information shall be included as to any material underwriting discounts or commissions upon the sale of securities by the issuer where any of the specified persons or companies

was or is to be an underwriter or is an associate, affiliate or partner of a person, company or partnership that was or is to be an underwriter.

5. No information need be given in answer to this item as to any transaction or any interest therein, where:
  - (i) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;
  - (ii) 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;
  - (iii) the transaction involves services as a bank or other depository of funds, transfer agent, registrar, trustee under a trust indenture or other similar services;
  - (iv) the interest of a specified person or company, including all periodic instalments in the case of any lease or other agreement providing for periodic payments or instalments, does not exceed \$50,000; or
  - (v) the transaction does not, directly or indirectly, involve remuneration for services; and
    - (A) the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of voting securities of another company that is a party to the transaction;
    - (B) the transaction is in the ordinary course of business of the issuer or its subsidiaries; and
    - (C) the amount of the transaction or series of transactions is less than 10 per cent of the total sales or purchases, as the case may be, of the issuer and its subsidiaries for the last completed financial year.
6. Information shall be furnished in answer to this item with respect to the transactions not excluded above that involve remuneration, directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person or company arises solely from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of voting securities or another company furnishing the services to the issuer or its subsidiaries.
7. This item does not require the disclosure of any interest in any transaction unless such interest and transaction are material.
8. The word "issuer" as used in this item and in the instructions thereto includes any subsidiary or affiliate of the issuer.

#### ITEM 32a – Relationship between Issuer and Underwriter:

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

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

- (ii) the involvement of the underwriter and of any related issuer of the underwriter in the decision to distribute the securities being offered and the determination of the terms of the distribution; and
- (iii) the effect of the issue on the underwriter and each related issuer of the underwriter;

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

#### INSTRUCTIONS:

1. "Related issuer", "connected issuer" and "influence" are defined in section 65 of *The Securities Regulations*.
2. In describing the existing relationship or connection between the issuer and the underwriter, describe the basis on which the issuer is a related issuer or connected issuer of the underwriter and:
  - (i) include to the extent necessary to describe the relationship or connection:
    - (A) the name of each related issuer of the underwriter;
    - (B) the details of any beneficial ownership of, or exercise of control or direction over any securities of any relevant party (including the issuer, the underwriter and any related issuer of the underwriter) by any other relevant party;
    - (C) the details of the ability of any relevant party to participate in or to affect materially the operations of any other relevant party by virtue of representation on a board of directors, a management contract, an escrow or pooling or voting trust agreement, or any other means.
    - (D) the details of any business or professional relationship between relevant parties; and
  - (ii) where the issuer has any indebtedness to the underwriter or any related issuer of the underwriter and that indebtedness is the basis on which the issuer is a connected issuer of the underwriter, state the details of the indebtedness, including:
    - (A) the amount of the indebtedness;
    - (B) the extent to which the issuer is in compliance with the terms of any agreement governing the indebtedness;
    - (C) the extent to which the related issuer has waived any breach of any such agreement since its execution;
    - (D) the nature of the security for the indebtedness; and

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

3. In describing the involvement of the underwriter and any related issuer of the underwriter in the decision to distribute the securities being offered and the determination of the terms of the distribution, describe whether the issue was required, suggested or consented to by the underwriter or any related issuer of the underwriter and, if so, on what basis. It is not necessary to describe the involvement of the underwriter in the decision to distribute securities where that involvement is limited to acting, independently of any related issuer of the underwriter, as a financial adviser to the issuer in the ordinary course of business, including presenting a proposal for a distribution and settling the terms of the securities on the same basis as that on which an independent underwriter would advise the issuer.
4. In describing the effect of the issue on the underwriter and each related issuer of the underwriter, state the extent to which the proceeds of the issue will be applied directly or indirectly for the benefit of the underwriter or any related issuer of the underwriter and, where the issuer has any indebtedness to the underwriter or any related issuer of the underwriter, whether any of the indebtedness will be repaid from the proceeds of the issue and, if so, the amount of the repayment. Where the proceeds will not be applied for the benefit of the underwriter or any related issuer of the underwriter, so state.
5. State any other material facts with respect to the relationship or connection between the underwriter, any related issuer of the underwriter and the issuer that are not required to be described by the foregoing.

#### ITEM 32b – Underwriter as Issuer:

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

- (i) state that the dealer is an underwriter in bold face type on the first page of the prospectus;
- (ii) include in the prospectus summaries of two valuations of the issuer by two independent underwriters or chartered accountants; and
- (iii) give in the prospectus a reasonable time and place at which the valuation may be inspected during the distribution of the securities being offered.

#### INSTRUCTIONS:

1. “Participating security” is defined in clause 145(e) of *The Securities Regulations* and “valuation” means “formal valuation” as defined in clause 145(a) of those regulations.
2. Underwriters or chartered accountants are independent if they are not related issuers or connected issuers of the issuer. See item 32a. Participation in the distribution does not disqualify underwriters that are otherwise independent.

#### ITEM 33 – Location of Assets Encumbered Under Trust Indenture and Custodian of Portfolio Securities:

- (a) Where capital securities of, or capital securities constituting all or part of, the investment portfolio of the issuer are charged, deposited, pledged, hypothecated or otherwise encumbered under a trust indenture, state where such capital securities are physically situate. If, as a part of any scheme of financing of or by the issuer, any capital securities of, or capital securities constituting all or part of, the investment portfolio of the issuer are to be charged, deposited, pledged, hypothecated or otherwise encumbered, state where such capital securities will be physically situate and indicate the persons or companies expected to be parties to the transaction.
- (b) Where the primary business of the issuer, or of a subsidiary or affiliate of the issuer, is investing, reinvesting, owning, holding, or trading in securities, state the name, principal business address and the nature of the business of each person or company holding portfolio securities of the issuer, or of any subsidiary or affiliate of the issuer which is investing, reinvesting, owning, holding or trading in securities, as custodian and the jurisdiction in which the portfolio securities are physically situate.
- (c) The name of the company holding assets encumbered under a trust indenture, or the name of the company holding portfolio securities as custodian may be omitted if it is a bank to which the *Bank Act* (Canada) applies, or otherwise with the consent of the Director.

#### INSTRUCTIONS:

1. the word “issuer” as used in this item and in the instructions thereto includes any subsidiary or affiliate of the issuer.
2. The words “investment portfolio” as used in this item and in the instructions thereto include any security other than commercial paper acquired where a material activity of the issuer includes an activity referred to in paragraph 2(1)(c)(ii) of The Securities Regulations.
3. Where the scheme of financing is not disclosed in answer to Instruction 4 of Item 5, Item 6, or Instruction 5 of Item 7, indicate the purpose of the scheme of financing. Where the scheme of financing is undertaken or proposed to be undertaken in connection with a take-over bid, so indicate. The source of capital for, and the intended offeree of, the proposed take-over bid need not be disclosed, provided that the provisions of Part XVI of the Act are complied with when the contemplated take-over bid is made.
4. Where the finance company is custodian of its portfolio securities, or where debt securities are issued without a trust indenture, describe:
  - (i) provisions made for the safekeeping of portfolio and other securities and assets;
  - (ii) bonding arrangements, if any, for employees or agents dealing with portfolio and other securities and assets; and
  - (iii) corporate procedures for dealing with the purchase, sale and transfer of portfolio and other securities and assets.

#### ITEM 34 – Statement of Functions of Issuer:

- (a) Where the predominant business of the issuer is investing, reinvesting, owning, holding or trading in securities, give a concise statement of the manner in which the following functions of the issuer are performed and who is responsible therefor, stating how such functions are co-ordinated and to the extent that any such functions are not performed by bona fide employees of the issuer, the names and addresses of the persons or companies responsible for performing such functions:



- (i) management of the non-financial investment holdings of the issuer;
  - (ii) providing supervision of lending policies;
  - (iii) management of the issuer;
  - (iv) providing collection policies;
  - (v) making investment decisions and supervising their execution; and
  - (vi) purchase and sale of the investment portfolio and brokerage arrangements relating thereto.
- (b) Indicate whether the approval of the board of directors of the company is required for the acquisition of investments, and whether the board of directors of the company making the investment comprises nominees of the dominant interest in the finance company.

### INSTRUCTIONS:

1. The word "issuer" as used in this item and in the instructions thereto includes any subsidiary or affiliate of the issuer.
2. In giving information regarding the purchase and sale of the investment portfolio and brokerage arrangements relating thereto the name and address of only the principal broker need be given.
3. In giving information regarding purchase and sale of the investment portfolio and brokerage arrangements relating thereto give brief details of the following matters:
  - (i) the total cost during the last completed financial year of the issuer of securities acquired, distinguishing between:
    - (a) securities of or guaranteed by the government of any country or any political subdivision thereof;
    - (b) short term notes; and
    - (c) other securities;
  - (ii) the total cost of securities held at the beginning and at the end of the issuer's last completed financial year;
  - (iii) the formula, method or criteria used in allocating brokerage business to persons or companies engaged in the distribution of the securities of the issuer;
  - (iv) the formula, method or criteria used in allocating brokerage business to persons or companies furnishing statistical, research or other services to the issuer or to the manager of the issuer; and
  - (v) the amount of brokerage paid to the principal broker for the last three completed financial years, giving the total amount paid in each year and expressing the amount paid in each year as a percentage of the total brokerage paid by the issuer.
4. As used in this Form:
  - (a) "principal broker" includes:
    - (i) a person or company through whom the investment portfolio of the issuer is purchased or sold pursuant to a contractual arrangement with the issuer or the manager of the issuer providing for an exclusive right to purchase or sell the investment portfolio of the issuer or any feature which gives or is intended to give a broker or dealer a material competitive advantage over other brokers

or dealers in respect of the purchase or sale of the investment portfolio of the issuer; or

- (ii) a person or company, together with any affiliate, by or through whom 15 per cent or more of the securities transactions of the issuer were carried out in the last completed financial year of the issuer; and
  - (b) “brokerage arrangements” or “brokerage business” include all purchases and sales of the investment portfolio whether effected directly or through an agent.
5. If one or more persons or companies performs more than one of the functions referred to in this item, so state, giving details of all functions so performed.
  6. Instruction 1 to Item 11 applies to this item with due alteration for points of detail.

#### ITEM 35 – Associated Persons:

Furnish the following information as to each person or company named in answer to paragraph (a) of Item 34:

1. If a named person or company is associated with the issuer or is a director or senior officer of or is associated with any affiliate of the issuer or is a director or senior officer of or is associated with any company which is associated with the issuer so state, and give particulars of the relationship.
2. If the issuer is associated with a named person or company or is associated with any affiliate of a named company or is associated with any company which is associated with the named person or company so state, and give particulars of the relationship.
3. If any person or company associated with the issuer is also associated with a named person or company so state, and give particulars of the relationships.
4. If a named person or company has a contract or arrangement with the issuer, give a brief description of the contract or arrangement, including the basis for determining the remuneration of the named person or company and give the amount of remuneration paid or payable by the issuer and its subsidiaries to such person or company during the last completed financial year of the issuer.
5. If a named person or company is associated with any other named person or company so state, and give particulars of the relationship.
6. Where and to the extent required by the Director, give the business experience of each named person or company and, in the case of a named company, the directors and officers thereof.

#### ITEM 36 – Auditors, Transfer Agents and Registrars:

- (a) State the name and address of the auditor of the issuer;
- (b) Where shares are offered state the names of the issuer’s transfer agents and registrars and the location (by municipalities) of the registers of transfers of each class of shares of the issuer. Where securities other than shares are offered, state the location (by municipalities) of each register on which transfers of such securities may be recorded.

#### INSTRUCTIONS:

1. The word “issuer” as used in this item includes, in addition to the issuer, any person directly or indirectly controlling or controlled by the issuer, or any person under direct or common control with the issuer.
2. Where the consolidated financial statements of the issuer are set out in the prospectus and the auditor of one or more subsidiaries is not the auditor of the issuer, set out the name and address of such auditor and the name and address of the company on which he reported and where such auditor has given a qualified report set out this fact in the prospectus. In addition, where an auditor of a subsidiary or affiliate makes a report in which the wording thereof has the effect of establishing a qualification of the report, file with the Commission the auditor’s report, the financial statement reported on, and details applicable to the qualification.
3. Where any subsidiary or any affiliate of the issuer does not have the same financial year-end as the issuer, state the reasons for this policy.

#### ITEM 37 – Material Contracts:

Give particulars of every material contract entered into within two years prior to the date of the preliminary prospectus or pro forma prospectus, by the issuer or any of its subsidiaries and state a reasonable time and place at which any such contract or a copy thereof may be inspected during distribution of the securities being offered.

#### INSTRUCTIONS:

1. The term “material contract” for this purpose means any contract that can reasonably be regarded as presently material to the proposed investor in the securities being offered.
2. Set out a complete list of all material contracts, indicating those which are disclosed elsewhere in the prospectus and provide particulars with respect to those material contracts about which particulars are not given elsewhere in the prospectus. This item does not require disclosure of contracts entered into in the ordinary course of business of the issuer or its subsidiaries as the case may be.
3. Particulars of contracts should include the dates of, parties to, consideration and general nature of the contracts, succinctly described.
4. Particulars of contracts need not be disclosed, or copies of such contracts made available for inspection, if the Director determines that such disclosure or making-available would impair the value of the contract and would not be necessary for the protection of investors.

#### ITEM 38 – Other Material Facts:

Give particulars of any other material facts relating to the securities proposed to be offered and not disclosed pursuant to the foregoing items.

**IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR REGULATIONS THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.**