

## **Saskatchewan Local Policy Statement 4.4**

### **Prompt Offering Qualification System**

Subsection 58(4) of *The Securities Act, 1988* states that:

"An abbreviated form of preliminary prospectus and an abbreviated form of prospectus may, if permitted by the commission, be filed pursuant to this section in the form prescribed by the Commission."

For the guidance of reporting issuers wishing to use the prompt offering qualification system in Saskatchewan, the Saskatchewan Securities Commission (the "Commission") has adopted as its Local Policy Statement 4.4 (LP 4.4), the Ontario Securities Commission's Local Policy Statement 5.6 "Prompt Offering Qualification System" ("OSC Policy 5.6"). OSC Policy 5.6 is attached hereto as schedule A.

The undertaking of the reporting issuer required to be filed annually with the annual information form (the "AIF") under Clause F.5 of OSC Policy 5.6 must specifically refer to the Saskatchewan Securities Commission. As well, the certificate of eligibility required to be filed annually with the AIF under Clause F.6 of OSC Policy 5.6 must specifically refer to the filing requirements of *The Securities Act, 1988*.

All materials required to be filed pursuant to OSC Policy 5.6 must also be filed with the Commission.

The preliminary short form prospectus and short form prospectus prepared in accordance with this policy statement will be accepted for filing under Subsection 58(4) of *The Securities Act, 1988*.

The distribution of securities pursuant to a short form prospectus filed under this policy shall otherwise comply with and be subject to the provisions of *The Securities Act, 1988*.

Adopted by the Commission  
effective November 7, 1988.  
Amended effective June 6, 1990.

---

Marcel de la Gorgendière, Q.C.  
Chairman

## **SCHEDULE A**

### **OSC Policy Statement 5.6 Prompt Offering Qualification System - Policies**

#### **A. Introduction and Purpose**

1. The system of distributing additional securities of reporting issuers by a prospectus in Canada is one which requires repetition, in certain circumstances, of information concerning the issuer which has already been published and disseminated into the public trading markets. A reporting issuer is required to file with provincial and territorial securities commission and administrators (the "Commissions" or individually a "Commission") on a timely basis material information concerning its business and affairs in accordance with the statutory continuous disclosure requirements of the various provincial and territorial securities acts and related investor disclosure legislation (referred to individually as the "Act") and the by-laws of the stock exchanges on which its shares are listed and posted for trading. This integrated and continuous disclosure system for reporting issuers provides a permanent disclosure record which comprises, in part, audited annual and unaudited interim financial statements, annual information forms ("AIFs") and management's discussion and analysis of financial condition and results of operations ("MD&A"), press releases, material change reports and proxy solicitation and information circular material. The public information disclosed through these continuous reporting requirements is available not only to security holders of the reporting issuers but is also available to investment dealers, brokers, research analysts, investment advisers and other users of financial information who are in a position to assess and filter such information for the benefit of investors generally. When such a reporting issuer, or a holder of the securities of such a reporting issuer to which the prospectus requirements apply (a "selling security holder"), desires to make a public offering of securities of the reporting issuer pursuant to a prospectus on a national basis, it must file a prospectus which includes, not only the information with respect to the securities proposed to be issued, but also the previously published information concerning the issuer and its business and affairs.
2. The prompt offering qualification system for the distribution of securities of senior reporting issuers is designed to shorten the time period and to streamline the procedures by which such issuers and selling security holders may have access to the Canadian capital markets through a prospectus offering without reducing the existing benefits of investor protection or the degree and quality of disclosure to the public and without increasing demands placed upon the personnel at the various Commissions.
3. The essence of the prompt offering qualification system is to integrate the offering document

with previously published issuer-oriented information concerning the eligible senior reporting issuer that has already been made available to the public trading markets. This integration is to be achieved by incorporating such public information by reference into a short form prospectus at the time of the distribution by or on behalf of the issuer or a selling security holder of securities of the issuer.

4. It is the intention of the Commissions at meetings of the Canadian Securities Administrators ("CSA") to review the eligibility criterion of Clause B.1(d) periodically and to consider amendments or adjustments based upon experience following the implementation of this Policy Statement.
5. For the purposes of distributing securities in Quebec pursuant to a short form prospectus under this Policy Statement, la Commission des valeurs mobilières du Québec has advised its Director not to exercise the authority under Paragraph B.3.

## **B. Eligible Reporting Issuers**

1. To be eligible to make use of the prompt offering qualification system for the distribution by or on behalf of an issuer or a selling security holder of any of the securities of the issuer by means of a short form prospectus in accordance with this Policy Statement, the issuer must satisfy the following criteria:
  - (a) the issuer must be a reporting issuer under the Act for at least 36 calendar months prior to the date of the filing of its AIF and, at the time of each such filing, not then in default of any requirement of the Act;
  - (b) the reporting issuer must comply with the procedures established by Section F;
  - (c) the reporting issuer must not be in default of any requirement of the Act or the Regulation made under the Act at the time of the filing of the preliminary short form prospectus or the issuance of the receipt for the short form prospectus; and
  - (d) the reporting issuer must have an aggregate market value of common shares and, if applicable, non-voting equity shares and subordinate or restricted voting equity shares, but excluding preferred shares (such common shares and equity shares being collectively referred to as "equity shares"), listed and posted for trading on a stock exchange in Canada held by "non-insider" security holders of the issuer of \$75,000,000 or more, calculated in accordance with Paragraph B.2, during the last calendar month

of the issuer's most recently completed financial year for which financial statements have been prepared and reported upon by the auditor of the issuer (hereinafter, except where the context otherwise requires, all references to a previous financial year of an issuer shall be deemed to refer to a previous financial year for which financial statements of such issuer have been prepared and reported upon by the auditor of the issuer).

2. For the purposes of Clause B.1(d), the aggregate market value of the issuer's issued and outstanding equity shares shall be computed by multiplying (A) the total number of all classes of equity shares issued and outstanding as at the end of the issuer's most recently completed financial year held by security holders none of whom (together with their respective associates and affiliates) beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the issued and outstanding equity shares of the issuer by (B) the arithmetic average of the closing prices of its equity shares on that Canadian stock exchange on which such equity shares are principally traded for each of the trading days during the last calendar month of the issuer's most recently completed financial year.
3. Any of the securities of a reporting issuer which has satisfied the eligibility criteria set forth in Paragraph B.1, may at any time prior to the date upon which a new AIF must be filed pursuant to section F, at the option of the issuer, be qualified for distribution by or on behalf of the issuer or a selling security holder through the filing with, and acceptance for filing by, the Commission of a short form prospectus in accordance with this Policy Statement. Notwithstanding that a reporting issuer has complied with the applicable eligibility criteria set forth in Paragraph B.1 and the other provisions of this Policy Statement, a Director may notify such a reporting issuer in writing that the Director may not issue a receipt for a short form prospectus that may be subsequently filed under the Act by the reporting issuer or a selling security holder pursuant to this Policy Statement. Any such notification by a Director shall include or be accompanied by a summary of the reasons that appear to the Director as constituting a basis under the Act for a refusal to issue a receipt for a short form prospectus. Such notification shall also provide, in accordance with the applicable provisions of the Act or otherwise, an opportunity for the reporting issuer to be heard by the Director within two business days from the issuance of such notice. A Director who exercises his authority under this section will also advise the Directors of the other Commissions as soon as practicable following the issuance of such notice to a reporting issuer.

**C. Alternative Qualification Criteria for Certain Issues  
of Debt Securities and Preferred Shares**

1. There will be reporting issuers which meet the eligibility criteria set forth in Paragraph B.1 other than Clause (d), and which are issuers of high quality non-convertible debt securities or non-convertible preferred shares. The short form prospectus system may be used to distribute the non-convertible debt securities or non-convertible preferred shares of such a reporting issuer in accordance with this Policy Statement where the issuer satisfies the criteria set forth in Clauses B.1(a), (b) and (c) provided that:
  - (a) at the time of the filing of the issuer's AIF, the issuer had non-convertible debt securities or non-convertible preferred shares issued and outstanding which, at that time, at least one of the statistical rating organizations listed in the Schedule to this Policy Statement (a "Rating Organization") had rated in one of the generic rating categories applicable to debt securities or preferred shares, as the case may be, set opposite the Rating Organization's name (an "Approved Rating"); and
  - (b) at the time of the filing of the preliminary short form prospectus with respect to a proposed distribution of non-convertible debt securities or non-convertible preferred shares, the securities proposed to be issued had received an Approved Rating, on a provisional basis, by at least one Rating Organization.
2. In order for a debt security or preferred share to be non-convertible, the rights and attributes attaching to such a security cannot include any right or option to purchase, convert or exchange or otherwise acquire any equity shares of the issuer, or of any other issuer, or any other security which itself has a right to purchase, convert or exchange or otherwise acquire any equity shares of the issuer or of any other issuer.
3. In addition to the provisions of Paragraph C.1, non-convertible debt securities of an issuer that is not a reporting issuer, or of an issuer that has been a reporting issuer for less than 36 calendar months, may be distributed pursuant to a short form prospectus in accordance with this Policy Statement provided that:
  - (a) such debt securities are unconditionally guaranteed as to principal and interest by a reporting issuer that satisfies the eligibility criteria set forth in Clauses B.1(a), (b) and (c);
  - (b) at the time of the filing of the preliminary short form prospectus, non-convertible debt securities of the guarantor were outstanding which had an Approved Rating by at least one Rating Organization; and
  - (c) at the time of the filing of the preliminary short form prospectus, the securities proposed

to be distributed had received an Approved Rating, on a provisional basis, by at least one Rating Organization.

**D. Amalgamations, Mergers and Reorganization**

1. The securities of a reporting issuer subsisting as a reporting issuer after an amalgamation, merger, arrangement or other form of reorganization (a "Reorganization") may be qualified for distribution under a short form prospectus in accordance with this Policy Statement and, in such a case, the following provisions shall also be applicable:
  - (a) for the purpose of satisfying the eligibility criteria of Clause B.1(a), at least one of the issuers which was a party to the Reorganization shall have been a reporting issuer under the Act for at least 36 calendar months prior to the Reorganization and none of such issuers shall be in default of any requirement of the Act or the Regulation made under the Act at the time thereof, and any such reporting issuer subsisting as a reporting issuer after the Reorganization shall be considered, for the purposes of Clause B.1(a), to have been a reporting issuer under the Act for 36 calendar months; and
  - (b) for the purpose of satisfying the eligibility criterion of Clause B.1(d), at least one of the issuers which was a party to the Reorganization shall have been a reporting issuer that satisfied the eligibility criterion of Clause B.1(d) prior to the Reorganization, and the reporting issuer subsisting as a reporting issuer after the Reorganization shall be considered to satisfy the requirements of Clause B.1(d) where such reporting issuer meets the requirements of Clause B.1(d) on the basis of the arithmetic average of the closing prices of its issued and outstanding equity shares for the 10 trading days prior to the filing of its AIF pursuant to Paragraph D.2 or, where the Director has waived the filing of an AIF pursuant to Paragraph D.2, for the 10 trading days prior to the date of such waiver.
2. A reporting issuer subsisting as a reporting issuer after a Reorganization which desires to participate in the prompt offering qualification system must file an AIF under Section F, which shall be subject to the review and acceptance for filing procedures of Paragraph F.1, notwithstanding that one or all of the issuers which was a party to the Reorganization may have previously filed an AIF, unless the filing of such AIF by such reporting issuer is waived by the Director.

**E. Securities Exchange Take-over Bid**

1. Where a take-over bid provides that the consideration for the securities of the offeree company is to be, in whole or in part, securities of a reporting issuer that has satisfied the eligibility criteria set forth in Paragraph B.1, the offeror may comply with the take-over bid circular requirements of the Act to include information prescribed by the form of prospectus appropriate for that issuer by including the information to be included in a short form prospectus under this Policy Statement in the take-over bid circular to be sent to security holders and filed with the Commission, provided that a pro forma balance sheet and income statement of that issuer giving effect to the exchange of securities as at the date of the most recent balance sheet of the issuer incorporated by reference in the circular based on the information in the most recent audited financial statements of the offeree issuer; a description of the basis of the preparation of the pro forma financial statements; and the basic and fully diluted earnings per share based on the pro forma financial statements are included in the take-over bid circular.

#### **F. Annual Information Form**

1. A reporting issuer satisfying the appropriate eligibility criteria set forth in Paragraphs B.1 or C.1 may file with the Director under this Policy Statement an AIF prepared in accordance with OSC Policy Statement No. 5.10 ("Policy 5.10"). The first AIF and any supporting material may be filed pursuant to National Policy No. 1 whereupon the prospectus clearance procedures referred to therein will apply, *mutatis mutandis*, to clearance of the first AIF. Whether or not the reporting issuer elects to file the first AIF pursuant to National Policy No. 1, the first AIF submitted by a reporting issuer to the Commission for filing under this Policy Statement shall be subject to acceptance for filing by the Director with such amendments or additions thereto, if any, as the Director considers necessary in order to comply with the requirements for the content of the AIF set out in Policy 5.10. Notification of such acceptance shall be provided to the reporting issuer by the Director in writing. Any amended version of the first AIF filed under this Policy Statement shall also be filed as a continuous disclosure document under Policy 5.10.
2. In order to comply with the requirements of Clause B.1(b), a reporting issuer that has filed an AIF which has been accepted by the Director under this Policy Statement must thereafter, at the time of the filing of its AIF as a continuous disclosure document under Policy 5.10 and within the 140 day period referred to therein, also file its AIF under this Policy Statement. The Director will accept a renewal AIF filed under this Policy Statement forthwith after three copies of it and the support material required by Paragraph F.4 are received. Notification of such acceptance will be provided to the reporting issuer in writing. The Director may delegate the authority to accept a renewal AIF to any member of the staff of the Corporate Finance Branch of the Commission. AIFs not filed within the required 140 day period shall be subject to the

application, review and acceptance for filing procedures of Paragraph F.1.

3. Disclosure made in the AIF will be subject to a selective review by Commission staff. When an AIF filed under this Policy Statement is selected for review, the Director will deliver a written notice to the reporting issuer stating that its AIF is being reviewed. Upon satisfactory completion of the review the Director will deliver a notice to the reporting issuer stating that the review has been concluded. The Director will not delay commencement of the review of a reporting issuer's short form prospectus as a result of the ongoing review of that reporting issuer's AIF. However, comments arising in the course of the AIF review will be taken into consideration during the short form prospectus review.
4. Each AIF filed under this Policy Statement shall be submitted in triplicate accompanied by one copy of each document incorporated therein by reference, the undertaking referred to in Paragraph F.5, the certificate of eligibility referred to in Paragraph F.6, a certified copy of the resolution of the directors of the reporting issuer approving the AIF and the required filing fee.
5. Each AIF filed pursuant to this Policy Statement shall be accompanied by an undertaking of the reporting issuer to the Commission to provide to any person or company, upon request to the secretary of the reporting issuer:
  - (a) when the securities of the reporting issuer are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a proposed distribution of its securities,
    - (i) one copy of the latest AIF, together with one copy of any document, or the pertinent pages of any document, incorporated therein by reference, filed with the Director under this Policy Statement;
    - (ii) one copy of the comparative financial statements of the reporting issuer filed under the Act for the issuer's most recently completed financial year in respect of which such financial statements have been issued, together with the report of the auditor therein, MD&A and one copy of any interim financial statements of the reporting issuer filed under the Act subsequent to the filing of the annual financial statements;
    - (iii) one copy of the information circular of the reporting issuer filed under the Act in respect of the most recent annual meeting of shareholders of the reporting issuer which involved the election of directors; and



- (iv) one copy of any reports filed pursuant to the Act which are incorporated by reference into the preliminary short form prospectus or the short form prospectus; or
  - (b) at any other time, the documents referred to in Clauses (a)(i), (ii) and (iii) above, provided that the reporting issuer may require the payment of a reasonable charge from such a person or company who is not a security holder of the reporting issuer where the documents are furnished under this Clause (b).
6. Each AIF filed pursuant to this Policy Statement shall also be accompanied by a certificate executed on behalf of the reporting issuer by two senior officers of the reporting issuer stating that the reporting issuer satisfies the criteria of Clause B.1(a) and either Clause B.1(d) or Clause C.1(a), as the case may be, at the time of filing of such AIF.
  7. No solicitor's, accountant's, engineer's or auditor's or other consent is required when an AIF is filed pursuant to this Policy Statement. They will be required with a short form prospectus in accordance with Paragraph G.3.

#### **G. Short Form Prospectus**

1. Where a reporting issuer has satisfied the provisions of this Policy Statement, the reporting issuer or a selling security holder may file with the Director a preliminary short form prospectus and a short form prospectus prepared and certified in accordance with Appendix A in respect of a distribution of securities of the reporting issuer proposed to be offered by or on behalf of the issuer or the selling security holder.
2. Every preliminary short form prospectus shall have printed in red ink on the outside front cover page the following statement or such variation thereof as the Director may permit:

"This is a preliminary short form prospectus relating to these securities, a copy of which has been filed with [insert names of provinces and territories in which the preliminary short form prospectus has been filed] but which has not yet become final for the purpose of a distribution or a distribution to the public. Information contained herein is subject to completion or amendment. These securities may not be sold to, nor may offers to buy be accepted from, residents of such jurisdictions prior to the time a receipt for the final short form prospectus is obtained from the appropriate securities commission or other regulatory authority."

3. Where any solicitor, auditor, accountant, engineer, appraiser or any other person or company whose profession gives authority to a statement made by him is named in a document specifically incorporated by reference in a short form prospectus as having prepared or certified any part of the document specifically incorporated by reference in a short form prospectus, or is named as having prepared or certified a report or valuation used in a document specifically incorporated by reference in a short form prospectus, the written consent of the person or company to being so named and to such use of the report or valuation shall be filed not later than the time the short form prospectus is filed. In Ontario, section 23 of the Regulation made under the *Securities Act* (Ontario) shall apply *mutatis mutandis* to such a consent as if it were required to be filed pursuant to subsection (1) thereof.
4. Where a significant portion of the proceeds of an issue qualified pursuant to a short form prospectus is to be expended on a particular resource property:
  - (a) an engineering report prepared by a qualified engineer must be filed with the preliminary short form prospectus, which report must contain a description of the work to be performed. This report will be placed in the public file. Any such report need not be prepared by an independent engineer. The short form prospectus must make reference to the report and state that it is on public file with the Commission. A consent for the use of the report and the use of the engineer's name must be filed if it is prepared by an independent engineer pursuant to Paragraph G.3; and
  - (b) if the current AIF does not contain disclosure with respect to such property pursuant to subclauses 1(i) and (j) of Item 3 of Part II of Policy 5.10, or if such disclosure is inadequate due to recent changes, then the issuer must incorporate or update the information with respect to the said subclauses 1(i) and (j) in the short form prospectus before a receipt will be issued by the Director for the short form prospectus.
5. Where a preliminary short form prospectus is filed in respect of a proposed distribution of preferred shares or debt securities having a term to maturity in excess of one year, the reporting issuer or selling security holder shall file with the preliminary short form prospectus an explanation of the manner by which the statements of asset coverage and earnings coverage are to be calculated.
6. Any statement contained in a document incorporated or deemed to be incorporated by reference in a short form prospectus shall be deemed to be modified or superseded for purposes of the short form prospectus to the extent that a statement contained in the short form prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference modifies or replaces such statement. The modifying or superseding

statement may, but need not, state that it has modified or superseded a prior statement or include any other information set forth in the document which is not so modified or superseded. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation or an untrue statement of a material fact or an omission to state a material act necessary to make a statement not misleading. Any statement so modified shall not be deemed in its unmodified form to constitute part of the short form prospectus.

7. Nothing in this Policy Statement shall be construed to provide relief from a liability arising under the provisions of the Act of each province or territory in which the short form prospectus is filed where the short form prospectus contains an untrue statement of a material fact or omits to state a material fact that is required to be stated therein or that is necessary to make a statement not misleading in light of the circumstances in which it was made.
8. During the distribution of securities which have been qualified by a short form prospectus pursuant to this Policy Statement,
  - (a) if the issuer increases the price of or number of securities offered or changes any attribute of the securities offered, an amendment to the short form prospectus must be filed with the Director incorporating any such change, or
  - (b) if the issuer offers a different security, a new preliminary short form prospectus and short form prospectus must be filed with the Director.
9. Pursuant to subsection 27(2) of the Regulation made under the *Securities Act* (Ontario) the Director waives the application of paragraph 27(1)(2) of the Regulation made under the *Securities Act* (Ontario) to a preliminary short form prospectus and extends the 75 day period provided therein for the remaining term of the reporting issuer's current AIF, unless a reporting issuer is otherwise advised in writing.

## **H. Filing Procedures for Short Form Prospectus**

1. A preliminary short form prospectus and short form prospectus and supporting material are to be filed pursuant to National Policy No. 1 and the prospectus clearance procedures referred to therein, except as set out in Paragraphs H.2 and H.3, will be applicable. A reporting issuer or selling security holder that files a preliminary short form prospectus under this Policy Statement shall be deemed to consent to the issuance by the Director of a receipt for its short form prospectus in accordance with the timing provisions of Paragraphs H.2 and H.3. Where a

Director exercises his authority under Paragraph B.3 of this Policy Statement, the timing provisions of Paragraph H.2 may not be applicable with respect to the filing in his province or territory.

2. The principal jurisdiction will transmit any comments on the contents of the preliminary short form prospectus (but excluding any comments on the material to be incorporated in the preliminary short form prospectus by reference) to the other Commission involved, as well as to the reporting issuer or selling security holder making the filing, within the third working day following the filing of the preliminary short form prospectus with the principal jurisdiction. Within two working days from the day of receipt of the comments, if any, from the principal jurisdiction, the other Commissions will transmit to the Director in the principal jurisdiction any additional comments they may have on the contents of the preliminary short form prospectus. In the event that the principal jurisdiction receives no comments from any other Commission within such additional two working day period, it will be assumed that such Commissions will accept the filing of the short form prospectus in final form. The Commission considers that it may, where appropriate, issue a final receipt prior to the expiration of the 10 day waiting period prescribed by the Act. Notwithstanding the foregoing, where, in the opinion of the Director, the proposed offering is too complex to be adequately reviewed within the prescribed time periods, the time periods set out in Paragraph 1 of National Policy No. 1 shall apply.
3. A preliminary short form and short form prospectus relating to the distribution of derivative securities (as defined below) will be reviewed within the time periods set out in Paragraph 1 of National Policy No. 1. For the purposes of this Paragraph H.3, derivative securities include securities the value of which is based upon the value of one or more underlying securities or commodities or upon the level of one or more financial benchmarks such as interest rates, foreign exchange rates or stock market indices. The liability of the issuer related to derivative securities is generally reflected only by way of note to its financial statements as a contingent liability. As defined herein, derivative securities do not include securities of mutual funds or non-redeemable investment funds or rights, warrants or other securities exchangeable for or convertible into securities issued by an issuer. Examples of securities that would constitute derivative securities include: (i) put warrants based on the level of the Nikkei stock average; (ii) call warrants based on the level of the NYSE composite index; (iii) call warrants based on the value of gold bullion; (iv) call warrants based on the level of an index comprised of common shares of six gold producing corporations; (v) put and call warrants based on the value of an index comprised of six base metals traded on the London Metal Exchange; and (vi) put and call warrants based on the value of a portfolio of Government of Canada bonds. Issuers who are uncertain as to whether securities which they propose to issue are derivative securities within the meaning of this Paragraph H.3 should consult the director.

4. It is possible that a reporting issuer may file a preliminary short form prospectus and short form prospectus and supporting material subsequent to the directors of the issuer having approved the comparative financial statements for the reporting issuer's last completed year, but prior to such comparative financial statements having been filed by the reporting issuer pursuant to the requirements of the Act, and also prior to the reporting issuer having filed with the Director a new AIF pursuant to the provisions of Paragraph F.1 of this Policy Statement. In such circumstances, it is essential that such comparative financial statements be incorporated by reference into the reporting issuer's short form prospectus. Accordingly, the reporting issuer will be required to issue and file a press release summarizing or setting out such comparative financial statement, and file the financial statements pursuant to the provisions of section 77 of the Act and the MD&A disclosure pursuant to Policy 5.10, before the Director will issue a receipt for its short form prospectus. The reporting issuer is not required to file MD&A disclosure with the Commission until the disclosure is required to be filed pursuant to Policy 5.10. However, issuers are reminded of their obligation to disclose all material facts relating to the securities to be distributed.
  
5. If a reporting issuer files a preliminary short form prospectus and short form prospectus and supporting material prior to the directors of the reporting issuer having approved the comparative financial statements for the reporting issuer's last completed financial year as discussed in Paragraph H.4, the reporting issuer may rely upon the interim financial statements for the third quarter of such financial year provided that the reporting issuer is in compliance with Part XVII of the Act.

**I. Proxy Solicitation**

1. Any information circular required by the Act to be delivered to security holders pursuant to the solicitation of proxies with respect to a reporting issuer which has a current AIF filed with the Director must contain a highlighted statement describing the availability of the documents referred to in Clause F.5(b).

**SCHEDULE**

Rating Organization*	Approved Rating Debt	Preferred
CBRS Limited	A++; A+ or A	P1 or P2

Dominion Bond Rating Service Limited	AAA, AA or A	AAA, AA or A
Moody's Investors Service	Aaa, Aa or A	AAA, AA-1 or AA-2
Standard & Poor's Corporation	AAA, AA or A	AAA, AA or A

\* The CSA may recognize other statistical rating organizations and Approved Rating categories for the purposes of this Policy Statement.

## APPENDIX A

### Contents of Short Form Prospectus

#### Item 1 - Notice

The short form prospectus shall contain the following legends on the cover page:

"This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale. No securities commission or any similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence."

"Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of the issuer at [insert complete address and telephone number]."

#### Item 2 - Distribution Spread

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

	Underwriting discounts or commissions	Proceeds to issuer or selling security holders*
--	---------------------------------------------	----------------------------------------------------------

Per Unit Total

\* Before deducting expenses of issue estimated at \$

#### Item 3 - Name of Issuer

State the full corporate name of the issuer and the address of its head office and principal place of business.

**Item 4 - Summary Description of Business**

Provide a brief summary of the business carried on and intended to be carried on by the issuer and its subsidiaries.

**Item 5 - Share and Loan Capital Structure**

Describe any material change in, and the effect thereof on, the share and loan capital of the issuer, on a consolidated basis, since the date of the comparative financial statements for the issuer's last completed financial year filed with the Commission.

**Item 6 - Use of Proceeds**

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.

**Item 7 - Plan of Distribution**

1. If the securities being offered are to be sold through underwriters, give the names of the underwriters, state briefly the nature of the underwriters' obligation, including the particulars of any "market out" clause, to take up and pay for the securities and indicate the date by which the underwriters are to purchase the securities.
2. Outline briefly the plan of distribution of any securities being offered that are to be offered otherwise than through underwriters. Where there is a "best efforts" offering, indicate, where practicable, on the cover page the minimum amount, if any, required to be raised and the latest date that the offering is to remain open. Where there is a "best efforts" offering and a minimum amount is required to be raised, provide that the subscription funds will be held by an independent trustee until the minimum amount is received and, if not received, that the subscription funds will be returned to the investor and briefly describe such arrangements.
3. If the issuer or selling security holder or any of the underwriters 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 offering of the securities proposed to be distributed, set forth a statement substantially to the following effect:



"In connection with this offering, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of [identify the securities] at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time."

### **Item 8 - Market for Securities**

Identify on the cover page of the short form prospectus the exchange or exchanges upon which the issuer's securities proposed to be distributed are traded, if any.

### **Item 9 - Asset and Income Coverage**

Furnish the results of the calculations for asset coverage and earnings coverage in summary form where required in connection with an issuer of debt securities having a term to maturity in excess of one year or an issue of preferred shares.

### **Item 10 - Details of the Offering**

1. If shares are being offered, state the description or the designation of the class of shares offered and furnish information concerning all material attributes and characteristics including, without limiting the generality of the foregoing, dividend rights, voting rights, liquidation or distribution rights, pre-emptive rights, conversion rights, redemption, purchase or cancellation or surrender provisions, sinking or purchase fund provisions, liability to further calls or to assessment, and provisions as to modification, amendment or variation of any such rights or provisions. If the rights of holders of such shares may be modified otherwise than in accordance with the provisions attaching to the shares or to the provisions of the governing statute relating thereto, so state and briefly explain.
2. If obligations are being offered, give a brief summary of the material attributes and characteristics of the indebtedness and the security therefor, if any, including without limiting the generality of the foregoing, provisions with respect to interest rate, maturity, redemption, other retirement, sinking fund and conversion rights, the nature and priority of any security for the obligations with a brief identification of the principal properties subject to lien or charge, 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 provisions as to the release or substitution of assets securing the obligations, the modification of the terms of the security and similar

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

3. If securities other than shares or obligations are being offered describe fully the rights evidenced thereby.

### **Item 11 - Selling Security Holder**

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.

### **Item 12 - Documents Incorporated by Reference**

1. The documents set forth below shall be specifically incorporated by reference in the short form prospectus by means of a statement to that effect in the prospectus listing all such documents:
  - (a) the issuer's latest annual information form ("AIF"); and
  - (b) material change reports (excluding confidential reports), comparative interim financial statements, comparative financial statements for the issuer's last completed financial year, together with the report of the auditor thereon, and information circulars filed by the issuer pursuant to the requirements of the Act and the Regulation made under the Act since the commencement of the issuer's financial year in which the issuer's latest AIF was filed.
2. List the material change reports filed by the issuer since the filing of the last AIF by the issuer. For each such material change provide the date of filing and a brief description of the change.
3. The short form prospectus shall also state that documents referred to above subsequently filed by the issuer pursuant to the requirements of the Act and the Regulation made under the Act, after the date of the short form prospectus and prior to the termination of the offering, shall be deemed to be incorporated by reference into the short form prospectus.

### **Item 13 - Other Material Facts**

Give particulars of any material facts relating to the securities proposed to be offered and not disclosed pursuant to the foregoing items or pursuant to the documents referred to in Item 12 incorporated by reference into the short form prospectus.

#### **Item 14 - Statutory Rights of Withdrawal and Rescission**

The short form prospectus shall contain a statement of withdrawal and rescission rights in the following form:

"Securities legislation in certain of the provinces provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser but such remedies must be exercised by the purchaser within the time limit prescribed by the securities legislation of his province or territory. The purchaser should refer to any applicable provisions of the securities legislation of his province or territory for the particulars of these rights or consult with a legal adviser."

#### **Item 15 - Certificates**

1. The preliminary short form prospectus and short form prospectus shall contain a certificate in the following form signed by the chief executive officer, the chief financial officer, and, on behalf of the board of directors of the issuer, any two directors of the issuer, other than the foregoing, duly authorized to sign:

"The foregoing, 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 short form prospectus as required by the securities laws of [insert names of provinces and territories in which qualifies]."

2. Where there is an underwriter, the preliminary short form prospectus and the short form prospectus shall contain a certificate in the following form signed by the underwriter or underwriters who, with respect to the securities offered by the prospectus, are in a contractual relationship with the issuer:

"To the best of our knowledge, information and belief, the foregoing, 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 laws of [insert names of provinces and territories in which qualified]."

(Former Policy 3-67: First published (1982) 4 O.S.C.B. 284E; published as 5.6 (1982) 4 O.S.C.B. 461E; amended (1983) 6 O.S.C.B. 859, (1984) 7 O.S.C.B. 591, 4907, (1985) 8 O.S.C.B. 1185, 2911, 2961; draft amendment (1986) 9 O.S.C.B. 4245; new order (1986) 9 O.S.C.B. 6962; amended (1990) 13 O.S.C.B. \*.)

J: