

Chapter 6

Request for Comments

6.1.1 Notice and Request for Comments - Proposed OSC Rule 62-504 Take-Over Bids and Issuer Bids

NOTICE AND REQUEST FOR COMMENT

PROPOSED ONTARIO SECURITIES COMMISSION RULE 62-504 TAKE-OVER BIDS AND ISSUER BIDS

Substance and Purpose of Proposed Rule

The Ontario Securities Commission (the “OSC” or the “Commission”) is publishing for comment proposed OSC Rule 62-504 *Take-Over Bids and Issuer Bids* (the “Proposed Rule”). The Proposed Rule relates to proposed amendments to Part XX - Take-Over Bids and Issuer Bids of the *Securities Act* (the “Act”) introduced by the Government of Ontario on March 22, 2007 in Schedule 38 to Bill 187 *Budget Measures and Interim Appropriation Act, 2007* (“Bill 187”). The comment period for the Proposed Rule will expire July 9, 2007.

On April 28, 2006, the Canadian Securities Administrators (the “CSA”) published for comment National Instrument 62-104 *Take-Over Bids and Issuer Bids* (the “National Instrument”), which proposed to harmonize, streamline and update the requirements and restrictions governing take-over bids and issuer bids and related early warning requirements across all Canadian jurisdictions. Those CSA jurisdictions that currently regulate bids recommended to their respective governments legislative amendments and rule-making authority that would remove detailed bid provisions from statutes and substitute general “platform” provisions to enable regulators to harmonize, streamline and update bid requirements in a national rule. In Ontario, the government is seeking to achieve the same harmonization and modernization effect through the proposed amendments to Part XX of the Act contained in Bill 187 (“Revised Part XX”).

Subject to Revised Part XX being enacted by the Legislative Assembly of Ontario and proclaimed into force and receipt of necessary Commission and Ministerial approval, it is intended that the Proposed Rule will come into force in November, 2007.

The National Instrument will be implemented as Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids* (“MI 62-104”) in jurisdictions other than Ontario. Subject to receipt of all necessary securities regulatory and ministerial approvals, it is intended that MI 62-104 will also come into force in the other CSA jurisdictions in November, 2007.

Summary of Proposed Rule

The following is a summary of the key features of the Proposed Rule.

Part 1 Definition and Interpretation

The term “consultant” is defined for purposes of the Proposed Rule and Revised Part XX. This is the same definition used in National Instrument 45-106 *Prospectus and Registration Exemptions*. Part 1 of the Proposed Rule also contains provisions, previously set out in the Regulation made under the Act, R.R.O. 1990, Reg. 1015 (the “Regulation”), for determining the market price of a class of securities.

Part 2 Exceptions to Bid Integration Rules

Part 2 contains exceptions to the restrictions on acquisitions or sales prior to, during and after a bid. These exceptions are generally the same exceptions to the restrictions on acquisitions or sales found in the current Part XX of the Act, the Regulation and OSC Rule 62-501 *Prohibited Stock Market Purchases of the Offeree’s Securities by the Offeror During a Take-Over Bid* (“Rule 62-501”).

Part 3 Required Forms

Part 3 of the Proposed Rule identifies the forms of circulars and notices required to be used by offerors and offeree issuers under Revised Part XX. Included is a new form to be used for a notice of change or notice of variation.

Part 4 Offeror's Obligations – Exceptions

The take-over bid requirements generally prohibit an offeror from entering into any collateral agreement that has the effect of providing a security holder of the offeree issuer with consideration of greater value than that offered to other security holders of the same class (the "Prohibition Against Collateral Agreements"). Discretionary relief from this prohibition has been frequently granted by the Commission in respect of employment contracts designed to encourage key personnel of the offeree issuer to remain in place in the event that a bid is successful.

To reduce the need for discretionary relief in respect of such employment contracts, Part 4 of the Proposed Rule provides several exceptions from the Prohibition Against Collateral Agreements. Employment compensation arrangements, severance arrangements or other employee benefit arrangements may be entered into if the arrangement provides an enhancement of employee benefits resulting from participation in a group plan and such benefits are generally provided to other similarly-situated employees. Part 4 of the Proposed Rule also excludes from the Prohibition Against Collateral Agreements employment arrangements that involved security holders that owned less than 1% of the class of target securities. Lastly, Part 4 of the Proposed Rule provides exceptions from the Prohibition Against Collateral Agreements where an independent committee of the offeree issuer determines that (i) the value of the benefit received by the employee, director or consultant is less than 5% of the consideration paid to such security holder under the bid, or (ii) the security holder is providing at least equivalent value for the benefit. In order to rely on the "equivalent value" exception, Part 4 of the Proposed Rule requires the determination of the independent committee to be confirmed by an independent, qualified person.

The exceptions from the Prohibition Against Collateral Agreements in Part 4 of the Proposed Rule are partly based on the approach taken by the United States Securities & Exchange Commission which allows for a safe harbour from their identical treatment requirement when an independent committee of the target or the bidder approves an employment arrangement. The proposal is also partly based on previous OSC decisions, which allow for employment arrangements that have a legitimate business purpose and that provide for a mutual exchange of value. The requirement for confirmation by an independent, qualified person of the independent committee's determination of a mutual exchange of value is intended to add additional objectivity in the absence of Commission scrutiny of the employment arrangement.

Part 4 of the Proposed Rule also contains two exceptions from the requirement to take-up and pay for securities proportionately when a formal bid is made for less than all of the class of securities subject to the bid. The first exception allows formal bids to be conducted pursuant to a modified "dutch auction" process. The second exception allows an offeror to purchase "odd lots" held by security holders of the offeree issuer. These exceptions are intended to eliminate common exemptive relief applications.

Part 5 Filing Agreements

Part 5 of the Proposed Rule contains descriptions of the documents relating to a take-over bid that must be filed by the offeror and the offeree issuer under the bid. These documents include agreements between an offeror and directors or officers of the offeree issuer, or any other agreement that affects control of the offeree issuer if those documents have not been previously filed pursuant to National Instrument 51-102 *Continuous Disclosure Obligation* ("NI 51-102"). This may, in certain circumstances, advance the timing of the offeree issuer's obligations to file such documents under NI 51-102 but should not have an adverse impact on the offeree issuer.

The required timing and form of the filing of the take-over bid-related documents by the offeror and the offeree issuer is set out in Part 5 of the Proposed Rule. Part 5 also provides the conditions under which filed documents may be redacted to protect confidential and sensitive information.

The filing of these take-over bid-related documents will provide greater transparency regarding agreements that affect control of a target issuer as well as address the ambiguity and mixed practice as to whether current early warning requirements require the filing of some of these agreements.

Part 6 Formal Bid Exemptions

Part 6 of the Proposed Rule contains additional conditions to the availability of certain exemptions from the formal bid requirements set out in Revised Part XX.

Part 7 Early Warning

Part 7 of the Proposed Rule sets out the manner and form of disclosure required under the early warning system in Revised Part XX. The substance of the early warning requirements in Revised Part XX and the Proposed Rule are the same as the requirements in current Part XX of the Act and National Instrument 62-103 *The Early Warning System and Related Take-over Bid and Insider Reporting Issues* ("NI 62-103").

Part 9 Consequential Amendments and Revocations

Part 9 of the Proposed Rule revokes Rule 62-501, OSC Rule 62-503 *Financing of Take-Over Bids and Issuer Bids*, and Recognition Order 62-904 *In the Matter of the Recognition of Certain Jurisdictions*. Part 9 of the Proposed Rule also contains consequential amendments to NI 62-103, OSC Rule 13-502 *Fees*, and OSC Rule 71-801 *Implementing the Multijurisdictional Disclosure System*.

Authority for the Proposed Rule

Paragraph 143(1)28 authorizes the Commission to make rules regulating take-over bids and issuer bids. Specifically, subparagraph ii authorizes the Commission to provide exemptions from section 94 of the Act (sections 93.1 to 93.4 of Revised Part XX), subparagraph iii authorizes the Commission to provide exemptions from sections 95 and 97 of the Act (sections 97.1 and 97.2 of Revised Part XX), and subparagraph iv authorizes the Commission to vary the requirements of or provide exemptions from section 101 of the Act (section 102.1 of Revised Part XX).

Paragraph 143(1)36 authorizes the Commission to make rules varying the Act with respect to foreign issuers to facilitate distributions, compliance with requirements applicable or relating to reporting issuers and the making of take-over bids and issuer bids where the foreign issuers are subject to requirements of the laws of other jurisdictions that the Commission considers are adequate in light of the purposes and principles of the Act.

Subparagraph 143(1)39 v authorizes the Commission to make rules requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of take-over bid circulars, issuer bid circulars, and directors' circulars and all documents determined by the regulations or the rules to be ancillary to such documents. Paragraph 143(1)39.1 authorizes the Commission to make rules governing the approval of any document described in paragraph 143(1)39.

Paragraph 143(1)40 authorizes the Commission to make rules respecting the designation or recognition of any person, company or jurisdiction if advisable for purposes of the Act.

If enacted, Bill 187 would authorize the Commission to define "consultant" in a rule and would authorize the Commission to make rules providing for the matters that, under Revised Part XX, may be specified by regulation or required by the regulations or that, under Revised Part XX, must or may be determined or done in accordance with the regulations.

Alternatives Considered

As set out above, the Commission published the National Instrument for comment. The proposed enactment of Schedule 38 to Bill 187 precludes the Commission from pursuing that alternative.

Unpublished Materials

In proposing this Proposed Rule, the Commission has not relied on any significant unpublished study, report or other written materials. The Commission considered the comments received in response to the notice and request for comment on the National Instrument and the issues raised by such comments.

Anticipated Costs and Benefits

The Proposed Rule, together with Revised Part XX, will harmonize most of the requirements and restrictions governing take-over bids, issuer bids and related early warning requirements with the regulatory regime proposed to be implemented in the other Canadian jurisdictions by way of MI 62-104. Harmonizing these requirements will ease the regulatory burden of issuers by reducing the number of requirements that would otherwise require consideration. Modifications to the existing requirements and restrictions include changing the scope of certain current exemptions and the introduction of several new exemptions in response to routine exemptive relief applications. In our view, the Proposed Rule will impose little, if any, additional costs on market participants.

Related Amendments and Revocations to the Regulation

The Commission proposes to revoke the following provisions of the Regulation:

- sections 183-189, 193-196, 198, and 200-203
- Forms 31, 32, 33, 34 and 35.

The Commission proposes to amend the following provisions of the Regulation so that they refer to the corresponding provisions in the Proposed Rule or Revised Part XX:

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- section 43
- subsection 252(2).

Comments and Questions

Interested parties are invited to make written comments with respect to the Proposed Rule. Submissions received by July 9, 2007 will be considered.

Submissions should be made to:

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
jstevenson@osc.gov.on.ca

If you are not sending your comments by email, a diskette containing your comments in Word format should also be submitted. Submissions cannot be kept confidential because securities legislation requires that a summary of the written comments received during the comment period be published.

Questions may be referred to any of:

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Text of the Proposed Rule

The text of the Proposed Rule follows. The text of Revised Part XX is contained in Chapter 9 of this Bulletin.

April 6, 2007

ONTARIO SECURITIES COMMISSION RULE 62-504

TAKE-OVER BIDS AND ISSUER BIDS

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ONTARIO SECURITIES COMMISSION RULE 62-504

TAKE-OVER BIDS AND ISSUER BIDS

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definition of “consultant” - In this Rule and for the purposes of Part XX of the Act, “consultant” means, for an issuer, a person or company, other than an employee, executive officer, or director of the issuer or of a related entity of the issuer, that

- (a) is engaged to provide services to the issuer or a related entity of the issuer, other than services provided in relation to a distribution,
- (b) provides the services under a written contract with the issuer or a related entity of the issuer, and
- (c) spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer

and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner.

1.2 Definition of “standard trading unit” - In this Rule, “standard trading unit” means

- (a) 1,000 units of a security trading at less than \$0.10 per unit,
- (b) 500 units of a security trading at \$0.10 or more per unit and less than \$1.00 per unit, and
- (c) 100 units of a security trading at \$1.00 or more per unit.

1.3 Interpretation, market price

For purposes of Part XX of the Act,

(1) The market price of a class of securities for which there is a published market, at any date, is an amount equal to the simple average of the closing price of securities of that class for each of the business days on which there was a closing price in the 20 business days preceding that date.

(2) If a published market does not provide a closing price, but provides only the highest and lowest prices of securities traded on a particular day, the market price of the securities, at any date, is an amount equal to the average of the simple averages of the highest and lowest prices for each of the business days on which there were highest and lowest prices in the 20 business days preceding that date.

(3) If there has been trading of securities in a published market for fewer than 10 of the 20 business days preceding the date as of which the market price of the securities is being determined, the market price is the average of the following prices established for each day of the 20 business days preceding that date:

- (a) the average of the closing bid and ask prices for each day on which there was no trading; and
- (b) either
 - (i) the closing price of securities of the class for each day that there has been trading, if the published market provides a closing price, or
 - (ii) the average of the highest and lowest prices of securities of that class for each day that there has been trading, if the published market provides only the highest and lowest prices of securities traded on a particular day.

(4) If there is more than one published market for a security, the market price in subsections (1), (2) and (3) must be determined as follows:

- (a) if only one of the published markets is in Canada, the market price must be determined solely by reference to that market;

- (b) if there is more than one published market in Canada, the market price must be determined solely by reference to the published market in Canada on which the greatest dollar volume of trading in the particular class of securities occurred during the 20 business days preceding the date as of which the market price is being determined;
- (c) if there is no published market in Canada, the market price must be determined solely by reference to the published market on which the greatest volume of trading in the particular class of securities occurred during the 20 business days preceding the date as of which the market price is being determined.

(5) Despite subsections (1), (2), (3) and (4), for the purposes of section 100 of the Act [*Normal course purchase exemption*], if an offeror acquires securities on a published market, the market price for those securities is the price of the last standard trading unit of securities of that class purchased, before the acquisition by the offeror, by a person or company who was not acting jointly or in concert with the offeror.

PART 2 EXCEPTIONS TO BID INTEGRATION RULES

2.1 Acquisitions during formal take-over bid - (1) Subsection 93.1(1) of the Act does not apply to acquisitions of securities of the class that are subject to a formal take-over bid and securities convertible into securities of that class beginning on the 3rd business day following the date of the bid until the expiry of the bid if, in addition to satisfying any requirement of subsection 93.1(2) of the Act, all of the following conditions are satisfied:

- (a) on the date of the bid, the intention of the offeror is to make the purchases and that intention is stated in the bid circular;
- (b) the purchases are made in the normal course on a published market;
- (c) the offeror issues and files a news release immediately after the close of business of the published market on each day on which securities have been purchased under this subsection disclosing the following information:
 - (i) the name of the purchaser,
 - (ii) if the purchaser is a person or company referred to in clause (b), (c) or (d) of the definition of "offeror" set out in section 93 of the Act, the relationship of the purchaser and the offeror,
 - (iii) the number of securities purchased on the day for which the news release is required,
 - (iv) the highest price paid for the securities on the day for which the news release is required,
 - (v) the aggregate number of securities purchased on the published market during the currency of the bid,
 - (vi) the average price paid for the securities that were purchased on the published market during the currency of the bid, and
 - (vii) the total number of securities owned by the purchaser after giving effect to the purchases that are the subject of the news release;
- (d) no broker acting for the offeror performs services beyond the customary broker's functions in regard to the purchases;
- (e) no broker acting for the offeror receives more than the usual fees or commissions in regard to the purchases than are charged for comparable services performed by the broker in the normal course;
- (f) the offeror or any person or company acting for the offeror does not solicit or arrange for the solicitation of offers to sell securities of the class subject to the bid, except for the solicitation by the offeror or members of the soliciting dealer group under the bid; and
- (g) the seller or any person or company acting for the seller does not, to the knowledge of the offeror, solicit or arrange for the solicitation of offers to buy securities of the class subject to the bid.

(2) Subsection 93.1(1) of the Act does not apply to an agreement between a security holder and the offeror to the effect that the security holder will, in accordance with the terms and conditions of the formal take-over bid, deposit the security holder's securities under the bid.

2.2 Acquisitions during formal issuer bid - Subsection 93.1(4) of the Act does not apply so as to prevent the offeror from purchasing, redeeming or otherwise acquiring any securities of the class subject to the formal issuer bid in reliance on an exemption in section 101 of the Act.

2.3 Acquisitions before formal take-over bid

(1) Subsection 93.2(1) of the Act does not apply to purchases made by an offeror if, in addition to satisfying any requirement of subsection 93.2(2) of the Act, all of the following conditions are satisfied:

- (a) no broker acting for the offeror performs services beyond the customary broker's functions in regard to the purchases;
- (b) no broker acting for the offeror receives more than the usual fees or commissions in regard to the purchases than are charged for comparable services performed by the broker in the normal course;
- (c) the offeror or any person or company acting for the offeror does not solicit or arrange for the solicitation of offers to sell securities of the class subject to the bid, except for the solicitation by the offeror or members of the soliciting dealer group under the take-over bid; and
- (d) the seller or any person or company acting for the seller does not, to the knowledge of the offeror, solicit or arrange for the solicitation of offers to buy securities of the class subject to the bid.

(2) Subsection 93.2(1) of the Act does not apply to a transaction that occurred within 90 days preceding the formal take-over bid if either of the following conditions are satisfied:

- (a) the transaction is a trade in a security of the issuer that had not been previously issued;
- (b) the transaction is a trade by or on behalf of the issuer in a previously issued security of that issuer that had been redeemed or purchased by, or donated to, that issuer.

2.4 Acquisitions after formal bid - Subsection 93.3(1) of the Act does not apply to purchases made by an offeror in the normal course on a published market if all of the following conditions are satisfied:

- (a) no broker acting for the offeror performs services beyond the customary broker's functions in regard to the purchases;
- (b) no broker acting for the offeror receives more than the usual fees or commissions in regard to the purchases than are charged for comparable services performed by the broker in the normal course;
- (c) the offeror or any person or company acting for the offeror does not solicit or arrange for the solicitation of offers to sell securities of the class subject to the bid, except for the solicitation by the offeror or members of the soliciting dealer group under the bid; and
- (d) the seller or any person or company acting for the seller does not, to the knowledge of the offeror, solicit or arrange for the solicitation of offers to buy securities of the class subject to the bid.

2.5 Prohibition on sales during formal bid - Subsection 93.4(1) of the Act does not apply to an offeror under a formal issuer bid in respect of the issue of securities pursuant to a dividend plan, dividend reinvestment plan, employee purchase plan or another similar plan.

PART 3 REQUIRED FORMS

3.1 Formal bid circular - A bid circular under subsection 94.2(1) of the Act must be in

- (a) Form 62-504F1 Take-Over Bid Circular, for a take-over bid, or
- (b) Form 62-504F2 Issuer Bid Circular, for an issuer bid.

3.2 Directors' circular - A directors' circular under subsection 95(4) of the Act must be in Form 62-504F3 Directors' Circular.

3.3 Director's or officer's circular - A director's or officer's circular under subsection 96(3) of the Act must be in Form 62-504F4 Director's or Officer's Circular.

3.4 Notice of change or variation - The following must be in Form 62-504F5 Notice of Change or Notice of Variation:

- (a) a notice of change in relation to a bid circular under subsection 94.3(4) of the Act;
- (b) a notice of variation in relation to a formal bid under subsection 94.4(2) of the Act;
- (c) a notice of change in relation to a directors' circular under subsection 95.1(2) of the Act; and
- (d) a notice of change in relation to a director's or officer's circular under subsection 96(7) of the Act.

PART 4 OFFEROR'S OBLIGATIONS - EXCEPTIONS

4.1 Prohibition against collateral agreements – exception

(1) Subsection 97.1(1) of the Act [*Prohibition against collateral agreements*] does not apply to an employment compensation arrangement, severance arrangement or other employment benefit arrangement that provides

- (a) an enhancement of employee benefits resulting from participation by the holder of securities of the offeree issuer in a group plan, other than an incentive plan, for employees of a successor to the business of the offeree issuer, if the benefits provided by the group plan are generally provided to employees of the successor to the business of the offeree issuer who hold positions of a similar nature to the position held by the security holder, or
- (b) a benefit not described in paragraph (a) that is received solely in connection with the security holder's services as an employee, director or consultant of the offeree issuer, of an affiliated entity of the offeree issuer, or of a successor to the business of the offeree issuer, if
 - (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the amount of the consideration paid to the security holder for securities deposited under the bid or providing an incentive to deposit under the bid,
 - (ii) the conferring of the benefit is not, by its terms, conditional on the security holder supporting the bid in any manner,
 - (iii) full particulars of the benefit are disclosed in the issuer bid circular or, in the case of a take-over bid, in the take-over bid circular or directors' circular.

(2) Paragraph (1)(b) is subject to

- (a) at the time the bid is publicly announced, the security holder and its associates beneficially owning or exercising control or direction over less than 1% of the outstanding securities of each class of securities of the offeree issuer subject to the bid, or
- (b) if the offeree issuer has an independent committee of directors,
 - (i) the security holder disclosing to the independent committee of the offeree issuer the amount of consideration that the security holder expects it will be beneficially entitled to receive under the terms of the bid in exchange for the securities beneficially owned by the security holder,
 - (ii) the independent committee, acting in good faith, determining that
 - (A) the value of the benefit, net of any offsetting costs to the security holder, is less than 5 % of the amount referred to in subparagraph (b)(i), or
 - (B) the security holder is providing at least equivalent value in exchange for the benefit,
 - (iii) confirmation of the independent committee's determination in clause (ii)(B) by an independent, qualified person, and
 - (iv) the determination of the independent committee, and if applicable, the determination of the independent, qualified person being disclosed in the issuer bid circular or, in the case of a take-over bid, in the take-over bid circular or directors' circular.

(3) In this section, in determining the beneficial ownership of securities of a holder at a given date, any security or right or obligation permitting or requiring the security holder or any person or company acting jointly or in concert with the security holder, whether or not on conditions, to acquire a security, including an unissued security, of a particular class within 60 days by a single transaction or a series of linked transactions is deemed to be a security of a particular class.

4.2 Proportionate take up and payment - exceptions

(1) Subsection 97.2(1) of the Act does not apply so as to prohibit an issuer from acquiring securities under the terms of a formal issuer bid that, if not acquired, would constitute less than a standard trading unit for the security holder.

(2) Subsection 97.2(1) of the Act does not apply to securities deposited under the terms of a formal issuer bid by security holders who

- (a) are entitled to elect a minimum price per security, within a range of prices, at which they are willing to sell their securities under the bid, and
- (b) elect a minimum price which is higher than the price that the issuer pays for securities under the bid.

PART 5 FILING OF DOCUMENTS

5.1 Filing of Documents

(1) An offeror making a formal take-over bid must file copies of the following documents and any amendments to those documents, unless previously filed:

- (a) any agreement between the offeror and a security holder of the offeree issuer relating to the take-over bid, including an agreement to the effect that the security holder will deposit its securities to the take-over bid made by the offeror;
- (b) any agreement between the offeror and directors or officers of an offeree issuer relating to the take-over bid;
- (c) any agreement between the offeror and an offeree issuer relating to the take-over bid; or
- (d) any other agreement of which the offeror is aware that could affect control of the offeree issuer, including an agreement with change of control provisions, a security holder agreement or a voting trust agreement, that the offeror has access to and can reasonably be regarded as material to a security holder in deciding whether to deposit securities under the bid.

(2) An offeree issuer whose securities are the subject of a formal take-over bid must file copies of any agreement of which the offeree issuer is aware of that could affect control of the offeree issuer, including an agreement with change of control provisions, a security holder agreement or a voting trust agreement, that the offeree issuer has access to and can reasonably be regarded as material to a security holder in deciding whether to deposit securities under the bid, unless previously filed under National Instrument 51-102 *Continuous Disclosure Obligations*.

(3) Documents required to be filed

- (a) under subsection (1) must be filed on the day the take-over bid circular is filed under section 94.2 [*Duty to prepare and send offeror's circular*] of the Act, and
- (b) under subsection (2) must be filed on the day that the directors' circular is filed under section 95 [*Duty to prepare and send directors' circular*] of the Act.

(4) If an agreement required to be filed under subsection (1) or (2) is entered into after a take-over bid circular referred to in subsection (1) or the directors' circular referred to in subsection (2) is filed, the agreement must be filed promptly but not later than 2 business days from the date that the agreement was entered into.

(5) A document dated before March 30, 2004 that is required to be filed under subsection (1) or (2) may be filed in paper format if it does not exist in an acceptable electronic format under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (SEDAR).

(6) A provision in a document required to be filed under subsection (1) or (2) may be omitted or marked so as to be unreadable if

- (a) the filer has reasonable grounds to believe that disclosure of the provision would be seriously prejudicial to the interests of the filer or would violate confidentiality provisions,
- (b) the filer has reasonable grounds to believe that the provision does not contain information relating to the filer or its securities that would be necessary to understanding the document, and
- (c) in the copy of the document filed by the filer immediately after the provision that has been omitted or marked so as to be unreadable, the filer includes a description of the type of information that has been omitted or marked so as to be unreadable.

PART 6 FORMAL BID EXEMPTIONS

6.1 Non-reporting issuer exemption - A take-over bid described in section 100.2 of the Act, or an issuer bid described in section 101.3 of the Act, is exempt from the formal bid requirements if, in addition to satisfying any requirements under section 100.2 or 101.3 of the Act, as the case may be, both of the following conditions are satisfied:

- (a) there is no published market for the securities that are the subject of the bid; and
- (b) the number of security holders of that class at the commencement of the bid is not more than 50, exclusive of holders who
 - (i) are in the employment of the offeree issuer or an affiliate of the offeree issuer,
 - (ii) were formerly in the employment of the offeree issuer or in the employment of an entity that was an affiliate of the offeree issuer at the time of that employment, and who while in that employment were, and have continued after that employment to be, security holders of the offeree issuer.

6.2 Required disclosure, exempt take-over bid or exempt issuer bid

(1) A take-over bid described in section 100.3 of the Act, or an issuer bid described in section 101.4 of the Act, is exempt from the formal bid requirements if, in addition to satisfying any requirements in section 100.3 or 101.4 of the Act, as the case may be, both of the following conditions are satisfied:

- (a) all material relating to the bid that is sent by or on behalf of the offeror generally to security holders of the class subject to the bid is concurrently filed and sent to security holders whose last address as shown on the books of the offeree issuer is in Ontario; and
- (b) an advertisement containing a summary of the terms of the bid and specifying where and how security holders may obtain a copy of the bid documents is filed and published in at least one major daily newspaper of general and regular paid circulation in Ontario.

(2) A take-over bid described in section 100.4 of the Act, or an issuer bid described in section 101.5 of the Act, is exempt from the formal bid requirements if, in addition to satisfying any requirements in section 100.4 or 101.5 of the Act, as the case may be, all material relating to the bid that is sent by or on behalf of the offeror generally to security holders of the class subject to the bid is concurrently filed and sent to security holders whose last address as shown on the books of the offeree issuer is in Ontario.

6.3 Normal course issuer bid exemptions - A news release required under subsection 101.2(4) of the Act must contain the following information:

- (a) the class and number of securities or principal amount of debt securities sought;
- (b) the dates, if known, on which the issuer bid will commence and expire;
- (c) the value, in Canadian dollars, of the consideration offered per security;
- (d) the manner in which the securities will be acquired; and
- (e) the reasons for the issuer bid.

PART 7 EARLY WARNING SYSTEM

7.1 Early warning – An acquiror under subsections 102.1(1) or (2) of the Act shall:

- (a) promptly issue and file a news release containing the information required by section 3.1 of National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, and
- (b) within 2 business days from the day of the acquisition, file a report containing the same information contained in the news release issued under paragraph (a).

7.2 Acquisitions during bid

(1) An acquiror who makes an acquisition described in subsections 102.2(1) or (2) of the Act must, before the opening of trading on the next business day, issue and file a news release containing the following information:

- (a) the name of the acquiror acquiring the securities;
- (b) the number of securities of the offeree issuer that were beneficially acquired, or over which the power to exercise control or direction was acquired, in the transaction that gave rise to the requirement to issue the news release;
- (c) the beneficial ownership of, and the control and direction over, any of the securities of the offeree issuer, by the acquiror and all persons or companies acting jointly or in concert with the acquiror, immediately after the acquisition described in paragraph (b);
- (d) the number of securities of the offeree issuer that were beneficially acquired, or over which the power to exercise control or direction was acquired, by the acquiror and all persons or companies acting jointly or in concert with the acquiror, since the commencement of the bid;
- (e) the name of the market in which the acquisition described in paragraph (b) took place; and
- (f) the purpose of the acquiror and all persons or companies acting jointly or in concert with the acquiror making the acquisition described in paragraph (b), including any intention of the acquiror and all persons or companies acting jointly or in concert with the acquiror to increase the beneficial ownership of, or control or direction over, any of the securities of the offeree issuer.

(2) If the facts in respect of which a news release is required to be filed under sections 102.1 [*Early warning*] and 102.2 [*Acquisitions during a bid by an acquiror*] of the Act are identical, a news release is required only under section 102.1 [*Early warning*] of the Act.

(3) An acquiror that files a news release or report under sections 102.1 [*Early warning*] or 102.2 [*Acquisitions during a bid*] of the Act must promptly send a copy of each filing to the reporting issuer.

PART 8 EXEMPTIONS

8.1 General - The Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 9 CONSEQUENTIAL AMENDMENTS AND REVOCATIONS

9.1 Rule 62-501 - Rule 62-501 *Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-Over Bid* is revoked.

9.2 Rule 62-503 - Rule 62-503 *Financing of Take-Over Bids and Issuer Bids* is revoked.

9.3 Recognition Order 62-904 - Recognition Order 62-904 *In the Matter of the Recognition of Certain Jurisdictions* is revoked.

9.4 Rule 13-502

(1) Item 1, Part G of Appendix C to Rule 13-502 *Fees* is amended by replacing "100(3) or (7)" with "94.2(3) or (4)".

(2) Item 2, Part G of Appendix C to Rule 13-502 *Fees* is amended by replacing the words “subsection 100(4)” with “section 94.5”.

9.5 NI 62-103 - National Instrument 62-103 *The Early Warning System and Related Take-over Bid and Insider Reporting Issues* is amended as follows:

- (a) in section 1.1(1)
 - (i) add the following after the definition of “applicable provisions”:

“associate” has the same meaning as in MI 62-104, and in Ontario, Part XX of the *Securities Act* (Ontario);
 - (ii) repeal the definition of “early warning requirements” and substitute the following:

“early warning requirements” means the requirements set out in Part 5 of MI 62-104, and in Ontario, sections 102.1 and 102.2 of the *Securities Act* (Ontario);
 - (iii) repeal the definition of “formal bid” and substitute the following:

“formal bid”

 - (a) means a take-over bid or issuer bid made in accordance with Part 2 of MI 62-104, and
 - (b) in Ontario only, has the meaning ascribed to that term in subsection 89(1) of the *Securities Act* (Ontario);
 - (iv) add the following before the definition of “moratorium provision”:

“MI 62-104” means Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*;
 - (v) repeal the definition of “moratorium provision” and substitute the following:

“moratorium provision” means the provisions set out in subsection 5.2(3) of MI 62-104 and in Ontario, subsection 102.1(3) of the *Securities Act* (Ontario);
 - (vi) repeal the definition of “offeror” and substitute the following:

“offeror” has the meaning ascribed to that term in securities legislation;
 - (vii) repeal the definition of “offeror’s securities” and substitute the following:

“offeror’s securities” has the meaning ascribed to that term in securities legislation;
 - (viii) repeal the definition of “private mutual fund” and substitute:

“private mutual fund” means

 - (a) a private investment club referred to in section 2.20 of National Instrument 45-106 *Prospectus and Registration Exemptions*, or
 - (b) a private investment fund referred to in section 2.21 of National Instrument 45-106 *Prospectus and Registration Exemptions*;
- (b) in subsection 2.1(1), strike “or under section 2.1 of National Instrument 62-102 *Disclosure of Outstanding Share Data* or” and “, whichever contains the most recent relevant information”;
- (c) repeal subsection 5.1(b) and substitute the following:
 - (b) the business unit is not a joint actor with any other business unit with respect to the securities, determined without regard to the provisions of securities legislation that deem an affiliate, and presume an associate, to be acting jointly or in concert with an offeror;

- (d) repeal Appendix B;
- (e) repeal Appendix C;
- (f) repeal Appendix D and substitute:

NATIONAL INSTRUMENT 62-103

APPENDIX D

BENEFICIAL OWNERSHIP

JURISDICTION SECURITIES LEGISLATION REFERENCE

ALL JURISDICTIONS
(except Ontario)

Sections 1.6 and 1.7 of MI 62-104

ALBERTA

Sections 5 and 6 of the *Securities Act* (Alberta)

BRITISH COLUMBIA

Subsection 1(4) of the *Securities Act* (British Columbia)

MANITOBA

Subsections 1(6) and 1(7) of the *Securities Act* (Manitoba)

NEW BRUNSWICK

Subsections 1(5) and 1(6) of the *Securities Act* (New Brunswick)

NEWFOUNDLAND
AND LABRADOR

Subsections 2(5) and 2(6) of the *Securities Act*
(Newfoundland and Labrador)

NOVA SCOTIA

Subsections 2(5) and 2(6) of the *Securities Act* (Nova Scotia)

ONTARIO

Subsections 1(5) and 1(6) and sections 90 and 91 of the *Securities Act* (Ontario)

SASKATCHEWAN

Subsections 2(5) and 2(6) of *The Securities Act, 1988* (Saskatchewan); and

- (g) in Appendix E,
 - (i) add the following after paragraph (e):
 - (e.1) the value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release;
 - (ii) in paragraph (i), add “, in Canadian dollars” after “value” and strike “and” at the end of the paragraph;
 - (iii) add the following after paragraph (j):
 - (k) if applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.

9.6 Rule 71-801 - Part 3 of Rule 71-801 *Implementing the Multijurisdictional Disclosure System* is repealed and the following is substituted:

PART 3 - BIDS FOR SECURITIES OF U.S. ISSUERS

3.1 Application of the Act to formal bids – (1) The following do not apply to a formal bid made in compliance with Part 12 of NI 71-101 and otherwise in accordance with the Act:

- (a) sections 93, 93.1, 93.3 and 93.4, clause 94(b), subsections 94.2(2), (3) and (4), subsections 94.4(3), (4) and (5), section 94.5 to 94.8, and 97 to 98.6 of the Act; and
- (b) section 93.2 of the Act unless security holders of the offeree issuer whose last address as shown on the books of the issuer is in Canada, as determined in accordance with subsections 12.1(2) through (4) of NI 71-101, hold 20% or more of a class of securities that is the subject of the bid;

(2) The following apply to a formal bid made in compliance with Part 12 of NI 71-101 and otherwise in accordance with the Act:

- (a) clause 94(a), section 94.1, subsections 94.2(1), 94.3 (2), (3), and (4), and subsection 94.4(2) of the Act;
- (b) section 94.3(1) of the Act, except the requirement to send a notice of change to each holder of securities that, before the expiry of the deposit period referred to in the bid, are convertible into securities of the class that is subject to the bid who are in Ontario; and
- (c) section 94.4(1) of the Act, except the requirement to send a notice of variation to each holder of securities that, before the expiry of the deposit period referred to in the bid, are convertible into securities of the class that is subject to the bid who are in Ontario.

3.2 Application of the Act to MJDS directors' circulars and MJDS individual director's or officer's circulars

– (1) Subsections 95(2), and (3), sections 95.1 and 95.2, subsection 96(6) and section 96.1 and 96.2 of the Act do not apply to the directors or the individual directors or officers of an offeree issuer who elect to comply with Part 12 of NI 71-101 instead of provisions of the Act otherwise applicable in preparation of a directors' circular or individual director's or officer's circular for a formal take-over bid made for securities of the offeree issuer under Part 12 of NI 71-101.

(2) The following apply to the directors or the individual directors or officers of an offeree issuer who elect to comply with Part 12 of NI 71-101 instead of provisions of the Act otherwise applicable in preparation of a directors' circular or individual director's or officer's circular for a formal take-over bid made for securities of the offeree issuer under Part 12 of NI 71-101:

- (a) subsections 95(1) and 96(1) of the Act, except the requirement to send a directors' circular or an individual director's or officer's circular to each holder of securities that, before the expiry of the deposit period referred to in the bid, are convertible into securities of the class that is subject to the bid who are in Ontario;
- (b) subsections 95.1(1) and 96(2) of the Act, except the requirement to send notice of change to holders of securities that, before the expiry of the bid, are convertible into securities of the class that is subject to the bid who are in Ontario;
- (c) subsections 96(4) and (5) of the Act, except the requirement to send a copy of an individual director's or officer's circular and a notice of change to holders of securities that, before the expiry of the bid, are convertible into securities of the class that is subject to the bid who are in Ontario; and
- (d) subsections 95(4), 95.1(2), 96(3) and (7) of the Act.

PART 10 TRANSITION AND COMING INTO FORCE

10.1 Transition - A take-over bid or issuer bid commenced before the effective date of this Rule in reliance on the take-over bid and issuer bid provisions in securities legislation at that time may be completed in accordance with those provisions, as applicable.

Effective date - This Rule comes into force on [*].

FORM 62-504F1

TAKE-OVER BID CIRCULAR

Part 1 General Provisions

(a) Incorporating information by reference

If you are qualified to file a short form prospectus under sections 2.2 to 2.7 of National Instrument 44-101 *Short Form Prospectus Distributions*, or by reason of an exemption granted by a securities regulatory authority, you may incorporate information required under item 19 to be included in your take-over bid circular by reference to another document. Clearly identify the referenced document or any excerpt of it that you incorporate into your take-over bid circular. Unless you have already filed the referenced document, you must file it with your take-over bid circular. You must also disclose that the document is on SEDAR at www.sedar.com and that, on request, you will promptly provide a copy of the document free of charge to a security holder of the offeree issuer.

(b) Plain language

Write the take-over bid circular so that readers are able to understand it. Plain language will help investors understand your disclosure so that they can make informed investment decisions. Offerors should apply plain language principles when they prepare a take-over bid circular including:

- using short sentences;
- using definite everyday language;
- using the active voice;
- avoiding superfluous words;
- organizing the document into clear, concise sections, paragraphs and sentences;
- avoiding jargon;
- using personal pronouns to speak directly to the reader;
- avoiding reliance on glossaries and defined terms unless it facilitates understanding of the disclosure;
- avoiding vague boilerplate wording;
- avoiding abstract terms by using more concrete terms or examples;
- avoiding multiple negatives;
- using technical terms only when necessary and explaining those terms;
- using charts, tables and examples where it makes disclosure easier to understand.

If you use technical terms, explain them in a clear and concise manner.

(c) Numbering and headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the heading or numbering or follow the order of items in this Form. You do not need to refer to inapplicable items and, unless otherwise required in this Form, you may omit negative answers to items. Disclosure provided in response to any item need not be repeated elsewhere in the circular.

Part 2 Contents of Take-Over Bid Circular

Item 1. Name and description of offeror

State the corporate name of the offeror or, if the offeror is an unincorporated entity, the full name under which it exists and carries on business, and give a brief description of its activities.

Item 2. Name of offeree issuer

State the corporate name of the offeree issuer or, if the offeree issuer is an unincorporated entity, the full name under which it exists and carries on business.

Item 3. Securities subject to the bid

State the class and number of securities that are the subject of the take-over bid and a description of the rights of the holders of any other class of securities that have a right to participate in the offer.

Item 4. Time period

State the dates on which the take-over bid will commence and expire.

Item 5. Consideration

State the consideration to be offered. If the consideration includes securities, state the particulars of the terms and conditions attaching to those securities.

Item 6. Ownership of securities of offeree issuer

State the number, designation and percentage of outstanding securities of any class of securities of the offeree issuer beneficially owned or over which control or direction is exercised

- (a) by the offeror,
- (b) by each director and officer of the offeror, and
- (c) if known after reasonable enquiry, by
 - (i) each associate or affiliate of an insider of the offeror,
 - (ii) an insider of the offeror, other than a director or officer of the offeror, and
 - (iii) any person acting jointly or in concert with the offeror.

In each case where no securities are owned, directed or controlled, state this fact.

Item 7. Trading in securities of offeree issuer

State, if known after reasonable enquiry has been made, the following information about any securities of the offeree issuer purchased or sold by the persons referred to in item 6 during the 6-month period preceding the date of the take-over bid;

- (a) the description of the security;
- (b) the number of securities purchased or sold;
- (c) the purchase or sale price of the security; and
- (d) the date of the transaction.

If no such securities were purchased or sold, state this fact.

Item 8. Commitments to acquire securities of offeree issuer

Disclose all agreements, commitments or understandings made by the offeror, and, if known after reasonable enquiry, by the persons referred to in item 6 to acquire securities of the offeree issuer, and the terms and conditions of those agreements, commitments or understandings.

Item 9. Terms and conditions of the bid

State the terms of the take-over bid. If the obligation of the offeror to take up and pay for securities under the take-over bid is conditional, state the particulars of each condition.

Item 10. Payment for deposited securities

State the particulars of the method and time of payment of the consideration.

Item 11. Right to withdraw deposited securities

Describe the withdrawal rights of the security holders of the offeree issuer under the take-over bid. State that the withdrawal is made by sending a written notice to the designated depository and becomes effective on its receipt by the depository.

Item 12. Source of funds

State the source of any funds to be used for payment of deposited securities. If the funds are to be borrowed, state

- (a) the name of the lender,
- (b) the terms and financing conditions of the loan,
- (c) if the financing arrangements are subject to conditions, at the time the bid is commenced, whether the offeror reasonably believes the possibility to be remote that, if the conditions of the bid are satisfied or waived, the offeror will be unable to pay for the securities deposited under the bid due to a financing condition not being satisfied,
- (d) the circumstances under which the loan must be repaid, and
- (e) the proposed method of repayment.

Item 13. Trading in securities to be acquired

Provide a summary showing

- (a) the name of each principal market on which the securities sought are traded,
- (b) any change in a principal market that is planned following the take-over bid, including but not limited to listing or de-listing on an exchange,
- (c) where reasonably ascertainable, in reasonable detail, the volume of trading and price range of the class of the securities in the 6-month period preceding the date of the take-over bid, or, in the case of debt securities, the prices quoted on each principal market, and
- (d) the date that the take-over bid to which the circular relates was announced to the public and the market price of the securities immediately before that announcement.

Item 14. Arrangements between the offeror and the directors and officers of offeree issuer

Disclose the particulars of any agreement, commitment or understanding made or proposed to be made between the offeror and any of the directors or officers of the offeree issuer, including particulars of any payment or other benefit proposed to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office, if the take-over bid is successful.

Item 15. Arrangements between the offeror and security holders of offeree issuer

Disclose the particulars of any agreement, commitment or understanding made or proposed to be made between the offeror and a security holder of the offeree issuer relating to the bid, including particulars of any agreement to the effect that the security

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holder will deposit its securities to a take-over bid made by the offeror. Disclosure with respect to each agreement, commitment or understanding must include

- (a) a description of its purpose,
- (b) the date, identity of the parties, and the terms and conditions,
- (c) the nature and value of the consideration payable in respect of it,
- (d) a detailed explanation as to how the offeror determined that entering into it was not prohibited by section 2.22 of the Instrument, or complied with section 2.23 of the Instrument, including an analysis of the determination of the value provided by the security holder, and
- (e) if available, the details of the determination of the independent committee and, if applicable, the determination of the independent qualified person under section 2.23 of the Instrument.

Item 16. Arrangements with or relating to the offeree issuer

Disclose the particulars of any agreement, commitment or understanding made between the offeror and the offeree issuer relating to the take-over bid and any other agreement, commitment or understanding of which the offeror is aware that could affect control of the offeree issuer, including an agreement with change of control provisions, a security holder agreement or a voting trust agreement that the offeror has access to and can reasonably be regarded as material to a security holder in deciding whether to deposit securities under the bid.

Item 17. Purpose of the bid

State the purpose of the take-over bid. Disclose the particulars of any plans or proposals for

- (a) subsequent transactions involving the offeree issuer such as a going private transaction, or
- (b) material changes in the affairs of the offeree issuer, including, for example, any proposal to liquidate the offeree issuer, to sell, lease or exchange all or a substantial part of its assets, to amalgamate it with any other business organization or to make any material changes in its business, corporate structure (debt or equity), management or personnel.

Item 18. Valuation

If a valuation is provided, the offeror must provide a summary of the valuation in sufficient detail to allow the reader to understand the principal judgements and principal underlying reasoning of the valuator so as to be able to form a reasoned judgment of the valuation opinion or conclusion. The summary must

- (a) disclose the basis of computation, scope of review, relevant factors and their values, and the key assumptions on which the valuation is based, and
- (b) advise where copies of the valuation are available for inspection and state that a copy of the valuation will be sent to any security holder of the offeree issuer on request, for a nominal charge sufficient to cover printing and postage.

If the take-over bid is an insider bid, as defined in applicable securities legislation, also include the disclosure regarding valuations as required by securities legislation.

Item 19. Securities of an offeror or other issuer to be exchanged for securities of offeree issuer

- (1) If a take-over bid provides that the consideration for the securities of the offeree issuer is to be, in whole or in part, securities of the offeror or other issuer, include the financial statements, including pro forma information, and other information prescribed for a prospectus of the issuer whose securities are being offered in exchange for the securities of the offeree issuer.
- (2) Despite subsection (1), the financial statements of the offeree issuer are not required to be included in this circular.

Item 20. Right of appraisal and acquisition

State any rights of appraisal the security holders of the offeree issuer have under the laws or constating document governing, or contracts binding, the offeree issuer and state whether or not the offeror intends to exercise any right of acquisition the offeror may have.

Item 21. Market purchases of securities

State whether or not the offeror intends to purchase in the market securities that are the subject of the take-over bid.

Item 22. Approval of take-over bid circular

If the take-over bid is made by or on behalf of an offeror that has directors, state that the take-over bid circular has been approved and its sending has been authorized by the directors.

Item 23. Other material information

State the particulars of any other information known to the offeror but not already disclosed in the take-over bid circular that would reasonably be expected to affect the decision of the security holders of the offeree issuer to accept or reject the bid.

Item 24. Solicitations

Disclose any person retained by or on behalf of the offeror to make solicitations in respect of the take-over bid and the particulars of the compensation arrangements.

Item 25. Statement of rights

Include the following statement of rights provided under the securities legislation of the jurisdiction relating to this circular:

Securities legislation in the provinces and territories of Canada provides security holders of the offeree issuer with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to such security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

Item 26. Certificate

A take-over bid circular certificate form must state

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Item 27. Date of take-over bid circular

Specify the date of the take-over bid circular.

FORM 62-504F2

ISSUER BID CIRCULAR

Part 1 General Provisions

(a) Incorporating information by reference

If you are qualified to file a short form prospectus under sections 2.2 to 2.7 of National Instrument 44-101 *Short Form Prospectus Distributions*, or by reason of an exemption granted by a securities regulatory authority, you may incorporate information required under item 21 to be included in your issuer bid circular by reference to another document. Clearly identify the referenced document or any excerpt of it that you incorporate into your issuer bid circular. Unless you have already filed the referenced document, you must file it with your issuer bid circular. You must also disclose that the document is on SEDAR at www.sedar.com and that, on request, you will promptly provide a copy of the document free of charge to a security holder of the issuer.

(b) Plain language

Write the issuer bid circular so that readers are able to understand it. Plain language will help investors understand your disclosure so that they can make informed investment decisions. Issuers should apply plain language principles when they prepare an issuer bid circular including:

- using short sentences;
- using definite everyday language;
- using the active voice;
- avoiding superfluous words;
- organizing the document into clear, concise sections, paragraphs and sentences;
- avoiding jargon;
- using personal pronouns to speak directly to the reader;
- avoiding reliance on glossaries and defined terms unless it facilitates understanding of the disclosure;
- avoiding vague boilerplate wording;
- avoiding abstract terms by using more concrete terms or examples;
- avoiding multiple negatives;
- using technical terms only when necessary and explaining those terms;
- using charts, tables and examples where it makes disclosure easier to understand.

If you use technical terms, explain them in a clear and concise manner.

(c) Numbering and headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the heading or numbering or follow the order of items in this Form. You do not need to refer to inapplicable items and, unless otherwise required in this Form, you may omit negative answers to items. Disclosure provided in response to any item need not be repeated elsewhere in the circular.

Part 2 Contents of Issuer Bid Circular

Item 1. Name of issuer

State the corporate name of the issuer or, if the issuer is an unincorporated entity, the full name under which it exists and carries on business.

Item 2. Securities subject to the bid

State the class and number of securities that are the subject of the issuer bid and a description of the rights of the holders of any other class of securities that have a right to participate in the offer.

If the number of securities sought is subject to additional purchases by the issuer under the issuer bid for the purpose of preventing security holders from being left with less than a standard trading unit, this fact must be disclosed under this item, but the number of securities that could be purchased for this purpose need not be disclosed.

Item 3. Time period

State the dates on which the issuer bid will commence and expire.

Item 4. Consideration

State the consideration to be offered. If the consideration includes securities, state the particulars of the terms and conditions attaching to those securities.

Item 5. Payment for deposited securities

State the particulars of the method and time of payment of the consideration.

Item 6. Right to withdraw deposited securities

Describe the rights to withdraw securities deposited under the issuer bid. State that the withdrawal is made by sending a written notice to the designated depository and becomes effective on its receipt by the depository.

Item 7. Source of funds

State the source of any funds to be used for payment of deposited securities. If the funds are to be borrowed, state

- (a) the name of the lender,
- (b) the terms and financing conditions of the loan,
- (c) if the financing arrangements are subject to conditions, at the time the bid is commenced, whether the offeror reasonably believes the possibility to be remote that, if the conditions of the bid are satisfied or waived, the offeror will be unable to pay for the securities deposited under the bid due to a financing condition not being satisfied,
- (d) the circumstances under which the loan must be repaid, and
- (e) the proposed method of repayment.

Item 8. Participation

If the issuer bid is for less than all of the outstanding securities of that class, state that if a greater number or principal amount of the securities are deposited than the issuer is bound or willing to take up and pay for, the issuer will take up as nearly as may be proportionately, disregarding fractions, according to the number or principal amount of the securities deposited. To the extent that this is not the case, as permitted by securities legislation, the response to this Item should be modified accordingly.

If an issuer intends to rely on one or both of the exceptions from the proportionate take up and payment requirements found in subsections 2.24(2) and (3) of the Instrument relating to standard trading units and "dutch auctions", describe the mechanism under which securities would be deposited and taken up without pro ration.

Item 9. Purpose of the bid

State the purpose for the issuer bid, and if it is anticipated that the issuer bid will be followed by a going private transaction or other transaction such as a business combination, describe the proposed transaction.

Item 10. Trading in securities to be acquired

Provide a summary showing

- (a) the name of each principal market on which the securities sought are traded,
- (b) any change in a principal market that is planned following the issuer bid,
- (c) where reasonably ascertainable, in reasonable detail, the volume of trading and price range of the class of the securities in the 6-month period preceding the date of the issuer bid, or, in the case of debt securities, the prices quoted on each principal market, and
- (d) the date that the issuer bid to which the circular relates was announced to the public and the market price of the securities of the issuer immediately before that announcement.

Item 11. Ownership of securities of issuer

State the number, designation and the percentage of outstanding securities of any class of securities of the issuer beneficially owned or over which control or direction is exercised

- (a) by each director and officer of the issuer and
- (b) if known after reasonable enquiry, by
 - (i) each associate or affiliate of an insider of the issuer,
 - (ii) every associate or affiliate of the issuer,
 - (iii) an insider of the offeror, other than a director or officer of the issuer, and
 - (iv) any person acting jointly or in concert with the issuer.

In each case where no securities are owned, directed or controlled, state this fact.

Item 12. Commitments to acquire securities of issuer

Disclose all agreements, commitments or understandings made by the issuer and, where known after reasonable enquiry, by the persons referred to in item 11, to acquire securities of the issuer, and the terms and conditions of those agreements, commitments or understandings.

Item 13. Acceptance of issuer bid

If known after reasonable enquiry, state the name of every person named in item 11 who has accepted or intends to accept the issuer bid and the number of securities in respect of which the person has accepted or intends to accept the issuer bid.

Item 14. Benefits from the bid

State the direct or indirect benefits to any of the persons named in item 11 of accepting or refusing the issuer bid.

Item 15. Material changes in the affairs of issuer

Disclose the particulars of any plans or proposals for material changes in the affairs of the issuer, including, for example, any contract or agreement under negotiation, any proposal to liquidate the issuer, to sell, lease or exchange all or a substantial part of its assets, to amalgamate it or to make any material changes in its business, corporate structure (debt or equity), management or personnel.

Item 16. Other benefits

If any material changes or subsequent transactions are contemplated, as described in item 9 or 15, state any specific benefit, direct or indirect, as a result of such changes or transactions to any of the persons named in item 11.

Item 17. Arrangements between the issuer and security holders

Disclose the particulars of any agreement, commitment or understanding made or proposed to be made between the offeror and a security holder of the offeree issuer relating to the bid, including particulars of any agreement to the effect that the security holder will deposit its securities to an issuer bid made by the offeror. Disclosure with respect to each agreement, commitment or understanding must include

- (a) a description of its purpose,
- (b) the date, identity of the parties, and the terms and conditions,
- (c) the nature and value of the consideration payable in respect of it,
- (d) a detailed explanation as to how the offeror determined that entering into it was not prohibited by section 2.22 of the Instrument, or complied with section 2.23 of the Instrument, including an analysis of the determination of the value provided by the security holder, and
- (e) if available, the details of the determination of the independent committee and, if applicable, the determination of the independent qualified person under section 2.23 of the Instrument.

Item 18. Previous purchases and sales

State the following information about any securities of the issuer purchased or sold by the issuer, excluding securities purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights during the twelve months preceding the date of the issuer bid:

- (a) the description of the security,
- (b) the number of securities purchased or sold,
- (c) the purchase or sale price of the security, and
- (d) the date and purpose of each transaction.

If no securities were purchased or sold, state this fact.

Item 19. Financial statements

If the most recently available interim financial statements are not included, include a statement that the most recent interim financial statements will be sent without charge to any security holder requesting them.

Item 20. Valuation

If a valuation is provided, the issuer must provide a summary of the valuation in sufficient detail to allow the reader to understand the principal judgements and principal underlying reasoning of the valuator so as to be able to form a reasoned judgment of the valuation opinion or conclusion. The summary must

- (a) disclose the basis of computation, scope of review, relevant factors and their values, and the key assumptions on which the valuation is based, and
- (b) advise where copies of the valuation are available for inspection and state that a copy of the valuation will be sent to any security holder of the issuer on request, for a nominal charge sufficient to cover printing and postage.

In addition, if a valuation is required by applicable securities legislation regarding valuations, include the disclosure required by the securities legislation.

Item 21. Securities of issuer to be exchanged for others

If an issuer bid provides that the consideration for the securities of the issuer is to be, in whole or in part, different securities of the issuer, include the financial and other information prescribed for a prospectus of the issuer.

Item 22. Approval of issuer bid circular

State that the issuer bid circular has been approved by the issuer's directors, disclosing the name of any individual director of the issuer who has informed the directors in writing of their opposition to the issuer bid and that the delivery of the issuer bid circular to the security holders of the issuer has been authorized by the issuer's directors.

If the issuer bid is part of a transaction or to be followed by a transaction required to be approved by minority security holders, state the nature of the approval required.

Item 23. Previous distribution

If the securities of the class subject to the issuer bid were distributed during the 5 years preceding the issuer bid, state the distribution price per share and the aggregate proceeds received by the issuer or selling security holder.

Item 24. Dividend policy

State the frequency and amount of dividends with respect to shares of the issuer during the 2 years preceding the date of the issuer bid, any restrictions on the issuer's ability to pay dividends and any plan or intention to declare a dividend or to alter the dividend policy of the issuer.

Item 25. Tax consequences

Provide a general description of the income tax consequences in Canada of the issuer bid to the issuer and to the security holders of any class affected.

Item 26. Expenses of bid

Provide a statement of the expenses incurred or to be incurred in connection with the issuer bid.

Item 27. Right of appraisal and acquisition

State any rights of appraisal the security holders of the issuer have under the laws or constating documents governing, or contracts binding, the issuer and state whether or not the issuer intends to exercise any right of acquisition the issuer may have.

Item 28. Statement of rights

Include the following statement of rights provided under the securities legislation of the jurisdiction relating to this circular:

Securities legislation in the provinces and territories of Canada provides security holders of the offeree issuer with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to such security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

Item 29. Other material information

State the particulars of any other information known to the offeror but not already disclosed in the issuer bid circular that would reasonably be expected to affect the decision of the security holders of the offeree issuer to accept or reject the bid.

Item 30. Solicitations

Disclose any person retained by or on behalf of the issuer to make solicitations in respect of the issuer bid and the particulars of the compensation arrangements.

Item 31. Certificate

An issuer bid circular certificate form must state

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Item 32. Date of issuer bid circular

Specify the date of the issuer bid circular.

FORM 62-504F3

DIRECTORS' CIRCULAR

Part 1 General Provisions

(a) Plain language

Write the directors' circular so that readers are able to understand it. Plain language will help investors understand your disclosure so that they can make informed investment decisions. Directors should apply plain language principles when they prepare a directors' circular including:

- using short sentences;
- using definite everyday language;
- using the active voice;
- avoiding superfluous words;
- organizing the document into clear, concise sections, paragraphs and sentences;
- avoiding jargon;
- using personal pronouns to speak directly to the reader;
- avoiding reliance on glossaries and defined terms unless it facilitates understanding of the disclosure;
- avoiding vague boilerplate wording;
- avoiding abstract terms by using more concrete terms or examples;
- avoiding multiple negatives;
- using technical terms only when necessary and explaining those terms;
- using charts, tables and examples where it makes disclosure easier to understand.

If you use technical terms, explain them in a clear and concise manner.

(b) Numbering and headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the heading or numbering or follow the order of items in this Form. You do not need to refer to inapplicable items and, unless otherwise required in this Form, you may omit negative answers to items. Disclosure provided in response to any item need not be repeated elsewhere in the circular.

Part 2 Contents of Directors' Circular

Item 1. Name of offeror

State the corporate name of the offeror or, if the offeror is an unincorporated entity, the full name under which it exists and carries on business.

Item 2. Name of offeree issuer

State the corporate name of the offeree issuer or, if the offeree issuer is an unincorporated entity, the full name under which it exists and carries on business.

Item 3. Names of directors of the offeree issuer

State the name of each director of the offeree issuer.

Item 4. Ownership of securities of offeree issuer

State the number, designation and the percentage of outstanding securities of any class of securities of the offeree issuer beneficially owned or over which control or direction is exercised

- (a) by each director and officer of the offeree issuer, and
- (b) where known after reasonable enquiry, by
 - (i) each associate or affiliate of an insider of the offeree issuer,
 - (ii) every associate or affiliate of the offeree issuer,
 - (iii) an insider of the offeree issuer, other than a director or officer of the offeree issuer, and
 - (iv) any person acting jointly or in concert with the offeree issuer.

In each case where no securities are owned, directed or controlled, state this fact.

Item 5. Acceptance of take-over bid

If known after reasonable enquiry, state the name of every person named in item 4 who has accepted or intends to accept the offer and the number of securities in respect of which such person has accepted or intends to accept the offer.

Item 6. Ownership of securities of offeror

If a take-over bid is made by or on behalf of an offeror that is an issuer, state the number, designation and percentage of outstanding securities of any class of securities of the offeror beneficially owned or over which control or direction is exercised

- (a) by the offeree issuer,
- (b) by each director and officer of the offeree issuer, and
- (c) if known after reasonable enquiry, by
 - (i) each associate or affiliate of an insider of the offeree issuer,
 - (ii) every affiliate or associate of the offeree issuer, and
 - (iii) an insider of the offeree issuer, other than a director or officer of the offeree issuer, and
 - (iv) any person acting jointly or in concert with the offeree issuer.

In each case where no securities are so owned, directed or controlled, state this fact.

Item 7. Relationship between the offeror and the directors and officers of the offeree issuer

Disclose the particulars of any agreement, commitment or understanding made or proposed to be made between the offeror and any of the directors or officers of the offeree issuer, including particulars of any payment or other benefit proposed to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the take-over bid is successful. State also whether any directors or officers of the offeree issuer are also directors or officers of the offeror or any subsidiary of the offeror and identify those persons.

Item 8. Arrangements between offeree issuer and officers and directors

Disclose the particulars of any agreement, commitment or understanding made or proposed to be made between the offeree issuer and any of the directors or officers of the offeree issuer, including particulars of any payment or other benefit proposed to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the take-over bid is successful.

Item 9. Arrangements between the offeror and security holders of offeree issuer

If not already disclosed in the take-over bid circular, disclose the particulars of any, agreement, commitment or understanding made or proposed to be made between the offeror and a security holder of the offeree issuer relating to the bid, including particulars of any agreement to the effect that the security holder will deposit its securities to a take-over bid made by the offeror. Disclosure with respect to each agreement, commitment or understanding must include

- (a) a description of its purpose,
- (b) the date, identity of the parties, and the terms and conditions,
- (c) the nature and value of the consideration payable in respect of it,
- (d) a detailed explanation as to how the offeror determined that entering into it was not prohibited by section 2.22 of the Instrument, or complied with section 2.23 of the Instrument, including an analysis of the determination of the value provided by the security holder, and
- (e) if available, the details of the determination of the independent committee and, if applicable, the determination of the independent qualified person under section 2.23 of the Instrument.

Item 10. Interests of directors and officers of the offeree issuer in material transactions with offeror

State whether any director or officer of the offeree issuer and their associates and, where known to the directors or officers after reasonable inquiry, whether any person who owns more than 10% of any class of equity securities of the offeree issuer for the time being outstanding has any interest in any material transaction to which the offeror is a party, and if so, state particulars of the nature and extent of such interest.

Item 11. Trading by directors, officers and other insiders

- (1) State the number of securities of the offeree issuer traded, the purchase or sale price and the date of each transaction during the 6-month period preceding the date of the directors' circular by the offeree issuer and each director, officer or other insider of the offeree issuer, and, if known after reasonable enquiry, by
 - (a) each associate or affiliate of an insider of the offeree issuer,
 - (b) every affiliate or associate of an insider of the offeree issuer, and
 - (c) any person acting jointly or in concert with the offeree issuer.
- (2) Disclose the number and price of securities of the offeree issuer of the class of securities subject to the bid or convertible into securities of that class that have been issued to the directors, officers and other insiders of the offeree issuer during the 2-year period preceding the date of the circular.

Item 12. Additional information

If any information required to be disclosed by the take-over bid circular prepared by the offeror has been presented incorrectly or is misleading, supply any additional information which would make the information in the circular correct or not misleading.

Item 13. Material changes in the affairs of offeree issuer

State the particulars of any information known to any of the directors or officers of the offeree issuer that indicates any material change in the affairs of the offeree issuer since the date of the last published interim or annual financial statement of the offeree issuer.

Item 14. Other material information

State the particulars of any other information known to the director or officer but not already disclosed in the directors' circular that would reasonably be expected to affect the decision of the security holders of the offeree issuer to accept or reject the bid.

Item 15. Recommending acceptance or rejection of the bid

Include either a recommendation to accept or reject the take-over bid and the reasons for such recommendation or a statement that the directors are unable to make or are not making a recommendation. If no recommendation is made, state the reasons

for not making a recommendation. If the directors of an offeree issuer are considering recommending acceptance or rejection of a take-over bid after the sending of the directors' circular, state that fact.

Item 16. Response of offeree issuer

- (1) Describe any transaction, directors' resolution, agreement in principle or signed contract of the offeree issuer in response to the bid.
- (2) Disclose whether there are any negotiations underway in response to the bid, which relate to or would result in
 - (a) an extraordinary transaction such as a merger or reorganization involving the offeree issuer or a subsidiary,
 - (b) the purchase, sale or transfer of a material amount of assets by the offeree issuer or a subsidiary,
 - (c) a competing take-over bid,
 - (d) a bid by the offeree issuer for its own securities or for those of another issuer, or
 - (e) any material change in the present capitalization or dividend policy of the offeree issuer.

If there is an agreement in principle, give full particulars.

Item 17. Approval of directors' circular

State that the directors' circular has been approved and its sending has been authorized by the directors of the offeree issuer.

Item 18. Statement of rights

Include the following statement of rights provided under the securities legislation of the jurisdiction relating to this circular:

Securities legislation in the provinces and territories of Canada provides security holders of the offeree issuer with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to such security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

Item 19. Certificate

A directors' circular certificate form must state

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Item 20. Date of directors' circular

Specify the date of the directors' circular.

FORM 62-504F4

DIRECTOR'S OR OFFICER'S CIRCULAR

Part 1 General Provisions

(a) Plain language

Write the director's or officer's circular so that readers are able to understand it. Plain language will help investors understand your disclosure so that they can make informed investment decisions. Directors and officers should apply plain language principles when they prepare a director's or officer's circular including:

- using short sentences;
- using definite everyday language;
- using the active voice;
- avoiding superfluous words;
- organizing the document into clear, concise sections, paragraphs and sentences;
- avoiding jargon;
- using personal pronouns to speak directly to the reader;
- avoiding reliance on glossaries and defined terms unless it facilitates understanding of the disclosure;
- avoiding vague boilerplate wording;
- avoiding abstract terms by using more concrete terms or examples;
- avoiding multiple negatives;
- using technical terms only when necessary and explaining those terms;
- using charts, tables and examples where it makes disclosure easier to understand.

If you use technical terms, explain them in a clear and concise manner.

(b) Numbering and headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the heading or numbering or follow the order of items in this Form. You do not need to refer to inapplicable items and, unless otherwise required in this Form, you may omit negative answers to items. Disclosure provided in response to any item need not be repeated elsewhere in the circular.

Part 2 Contents of Director's or Officer's Circular

Item 1. Name of offeror

State the corporate name of the offeror or, if the offeror is an unincorporated entity, the full name under which it exists and carries on business.

Item 2. Name of offeree issuer

State the corporate name of the offeree issuer or, if the offeree issuer is an unincorporated entity, the full name under which it exists and carries on business.

Item 3. Name of director or officer of offeree issuer

State the name of each director or officer delivering the circular.

Item 4. Ownership of securities of offeree issuer

State the number, designation and percentage of outstanding securities of any class of securities of the offeree issuer beneficially owned or over which control or direction is exercised

- (a) by the director or officer, and
- (b) if known after reasonable enquiry, by the associates of the director or officer.

In each case where no securities are so owned, directed or controlled, state this fact.

Item 5. Acceptance of bid

State whether the director or officer of the offeree issuer and whether any associate of such director or officer whose acceptance is known to the director or officer, after reasonable inquiry, has accepted or intends to accept the offer and state the number of the securities in respect of which the director or officer, or where known after reasonable enquiry, any associate, has accepted or intends to accept the offer.

Item 6. Ownership of securities of offeror

If a take-over bid is made by or on behalf of an issuer, state the number, designation and percentage of outstanding securities of any class of securities of the offeror beneficially owned or over which control or direction is exercised

- (a) by the director or officer, or
- (b) if known after reasonable enquiry, by the associates of the director or officer.

In each case where no securities are so owned, directed or controlled, state this fact.

Item 7. Arrangements between offeror and director or officer

Disclose the particulars of any agreement, commitment or understanding made or proposed to be made between the offeror and the director or officer, including particulars of any payment or other benefit proposed to be made or given by way of compensation for loss of office or as to the director's or officer's remaining in or retiring from office if the take-over bid is successful. State whether the director or officer is also a director or officer of the offeror or any subsidiary of the offeror.

Item 8. Arrangements between offeree issuer and director or officer

Disclose the particulars of any agreement, commitment or understanding made or proposed to be made between the offeree issuer and the director or officer, including particulars of any payment or other benefit proposed to be made or given by way of compensation for loss of office or as to his or her remaining in or retiring from office if the take-over bid is successful.

Item 9. Interests of director or officer in material transactions with offeror

State whether the director or officer or the associates of the director or officer have any interest in any material transaction to which the offeror is a party, and if so, state the particulars of the nature and extent of such interest.

Item 10. Additional information

If any information required to be disclosed by the take-over bid circular prepared by the offeror has been presented incorrectly or is misleading, supply any additional information within the knowledge of the director or officer, which would make the information in the circular correct or not misleading.

Item 11. Material changes in the affairs of offeree issuer

State the particulars of any information known to the director or officer that indicates any material change in the affairs of the offeree issuer since the date of the last published interim or annual financial statement of the offeree issuer and not generally disclosed or in the opinion of the director or officer not adequately disclosed in the take-over bid circular or directors' circular.

Item 12. Other material information

State the particulars of any other information known to the director or officer but not already disclosed in the director's or officer's circular that would reasonably be expected to affect the decision of the security holders of the offeree issuer to accept or reject the bid.

Item 13. Recommendation

State the recommendation of the director or officer and the reasons for the recommendation.

Item 14. Statement of rights

Include the following statement of rights provided under the securities legislation of the jurisdiction relating to this circular:

Securities legislation of the provinces and territories of Canada provides security holders of the offeree issuer with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages if there is a misrepresentation in a circular or notice that is required to be delivered to such security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

Item 15. Certificate

Include a certificate in the following form signed by or on behalf of each director or officer delivering the circular.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Item 16. Date of director's or officer's circular

Specify the date of the director's or officer's circular.

FORM 62-504F5

NOTICE OF CHANGE OR NOTICE OF VARIATION

Part 1 General Provisions

(a) Plain language

Write the notice of change or notice of variation so that readers are able to understand it. Plain language will help investors understand your disclosure so that they can make informed investment decisions. Plain language principles should be applied when preparing a notice of change or notice of variation including:

- using short sentences;
- using definite everyday language;
- using the active voice;
- avoiding superfluous words;
- organizing the document into clear, concise sections, paragraphs and sentences;
- avoiding jargon;
- using personal pronouns to speak directly to the reader;
- avoiding reliance on glossaries and defined terms unless it facilitates understanding of the disclosure;
- avoiding vague boilerplate wording;
- avoiding abstract terms by using more concrete terms or examples;
- avoiding multiple negatives;
- using technical terms only when necessary and explaining those terms;
- using charts, tables and examples where it makes disclosure easier to understand.

If you use technical terms, explain them in a clear and concise manner.

(b) Numbering and headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the heading or numbering or follow the order of items in this Form. You do not need to refer to inapplicable items and, unless otherwise required in this Form, you may omit negative answers to items. Disclosure provided in response to any item need not be repeated elsewhere in the circular.

Part 2 Contents of Notice of Change or Notice of Variation

Item 1. Name of offeror

State the corporate name of the offeror or, if the offeror is an unincorporated entity, the full name under which it exists and carries on business.

Item 2. Name of offeree issuer

State the corporate name of the offeree issuer or, if the offeree issuer is an unincorporated entity, the full name under which it exists and carries on business.

Item 3. Particulars of notice of change or notice of variation

- (1) A notice of change required under section 2.9 of the Instrument must contain
- (a) a description of the change in the information contained in
 - (i) the take-over bid circular or issuer bid circular, and
 - (ii) any notice of change previously delivered under section 2.9,
 - (b) the date of the change,
 - (c) the date up to which securities may be deposited,
 - (d) the date by which securities deposited must be taken up by the offeror, and
 - (e) a description of the rights of withdrawal that are available to security holders.
- (2) A notice of variation required under section 2.10 of the Instrument must contain
- (a) a description of the variation in the terms of the take-over bid or issuer bid,
 - (b) the date of the variation,
 - (c) the date up to which securities may be deposited,
 - (d) the date by which securities deposited must be taken up by the offeror,
 - (e) if the date referred to in paragraph (d) is not known, a description of the legal requirements regarding the timing of take up of securities deposited under the bid,
 - (f) a description of when payment will be made for deposited securities in relation to the time in which they are taken up by the offeror, and
 - (g) a description of the rights of withdrawal that are available to security holders.
- (3) A notice of change required under section 2.16 or subsection 2.18(2) of the Instrument must contain, as applicable, a description of the change in the information contained in
- (a) the directors' circular,
 - (b) any notice of change previously delivered under section 2.16,
 - (c) the director's or officer's circular, or
 - (d) any notice of change previously delivered under subsection 2.18(2).

Item 4. Statement of rights

Include the following statement of rights provided under the securities legislation of the jurisdiction relating to this notice:

Securities legislation of the provinces and territories of Canada provides security holders of the offeree issuer with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages if there is a misrepresentation in a circular or notice that is required to be delivered to such security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

Item 5. Certificate

Include the signed certificate required in the bid circular, directors' circular or director's or officer's circular, amended to refer to the initial circular and to all subsequent notices of change or notices of variation.

Item 6. Date of notice of change or notice of variation

Specify the date of the notice of change or notice of variation.