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CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

Notice of Publication

CSA Staff Notice 54-305
Meeting Vote Reconciliation Protocols

January 26, 2017

Introduction

Staff of the Canadian Securities Administrators (the **CSA** or **we**) are publishing today in final form CSA Staff Notice 54-305 *Meeting Vote Reconciliation Protocols* (the **Protocols**). The Protocols are in Annex A to this Notice.

Substance and Purpose

Meeting vote reconciliation consists of the processes used to tabulate proxy votes for shares held through intermediaries. It involves systems and processes that link depositories, intermediaries and meeting tabulators with one another in order for proxy votes from registered shareholders and voting instructions from beneficial owners to be reconciled against securities entitlements.

The Protocols contain CSA staff

- expectations on the roles and responsibilities of the key entities that implement meeting vote reconciliation, and
- guidance on the kinds of operational processes that they should implement to support accurate, reliable and accountable meeting vote reconciliation.

The Protocols address the following areas:

- generating and sending vote entitlement information;
- setting up vote entitlement accounts;
- sending proxy vote information and tabulating and recording proxy votes;
- informing beneficial owners of rejected/pro-rated votes.

The Protocols are voluntary and lay the foundation for the key entities to work collectively to improve meeting vote reconciliation.

Background

The Protocols were published in draft form for comment on March 31, 2016 as part of CSA Multilateral Staff Notice 54-304 *Final Report on Review of the Proxy Voting Infrastructure and Request for Comments on Proposed Meeting Vote Reconciliation Protocols* (**CSAN 54-304**). At that time, we noted that it is not our usual practice to seek comment on CSA staff guidance. However, we determined it was appropriate to seek comment because the Protocols are different from typical CSA staff guidance. In particular, the Protocols contain extensive and detailed discussion of operational processes.

Please refer to CSAN 54-304 for more information on the development of the Protocols.

Feedback on the Protocols and Summary of Changes

The comment period ended on July 15, 2016. During the comment period, we received 10 comment letters from various market participants. The commenters are listed in Annex B to this Notice. We have considered the comments received and thank all of the commenters for their input.

We also obtained feedback on the Protocols through

- A roundtable held in Ontario[1], and
- a Technical Committee comprising representatives from the Canadian Depository for Securities Limited (**CDS**), Broadridge Investor Communications Corporation (**Broadridge**), intermediaries and transfer agents (who typically act as tabulators for meetings).

We have made several changes to the Protocols as a result of feedback we received on specific aspects of the Protocols. The following is a high-level overview of the key changes. A blackline of the final Protocols to the draft Protocols is in Annex C to this Notice.

Protocol[2]	**Description of Change**
Purpose and Scope	A section has been added encouraging intermediaries to establish, maintain and apply written policies and procedures regarding client account vote reconciliation. This change is intended to support greater transparency in the proxy vote tabulation process.
A.3.1	The draft Protocol contained an expectation that intermediaries implement processes to ensure that a tabulator has complete and accurate vote entitlement information for each intermediary that will solicit voting instructions from beneficial owners and submit proxy votes. An additional expectation has been added that the intermediaries will also design and implement appropriate internal safeguards and controls to monitor the effectiveness of those processes.
C.1.6	The draft Protocol only referred to intermediaries and Broadridge providing tabulators with up-to-date contact information. The Protocol now includes an expectation that tabulators and CDS should provide up-to-date contact information to intermediaries and Broadridge to assist in resolving any potential over-vote issues.
C.1.7	A new Protocol has been added to provide guidance on the steps intermediaries and Broadridge should take if they are contacted by a tabulator regarding an over-vote situation. This change is intended to mitigate the risk that an over-vote situation is not resolved in a timely manner. The new Protocol also sets out an expectation that intermediaries should establish appropriate notification methods for beneficial owner clients that wish to know if their intermediary has been unable to obtain verification that the situation has been resolved, such that the proxy votes submitted by the intermediary could potentially be pro-rated or rejected. This change is intended to support beneficial owners who wish to obtain information about the status of their votes prior to the meeting.
C.2.8	The guidance on the timing for a tabulator to respond to an intermediary request for information as to whether proxy votes have been counted or not has been amended to reflect that the tabulator can only provide the information after the issuer has instructed it to do so. Guidance has also been added that if the issuer does not provide this instruction to the tabulator, the tabulator should notify the requestor.
D.1.1	The guidance on what constitutes a reasonable period for the tabulator to notify Broadridge of rejected or pro-rated votes now refers to a period within 10 business days of completing final tabulation, to take into account that there are currently no electronic communication methods in place for this activity.

1 A transcript is available at http://www.osc.gov.on.ca/en/SecuritiesLaw_oth_20161118_54-304_transcript-proxy-voting-roundtable.htm.

2 Each protocol is identified by a letter and two numbers that correspond to the following in the Protocols:

- the section header letter;
- the document/information number;
- the protocol number.

See **How the Protocols are Organized** in the Protocols for a more detailed explanation.

We also received feedback on the following issues associated with implementing the improvements contemplated by the Protocols:

- cost and resource impacts;
- a reasonable implementation timeframe;
- which aspects of the Protocols (if any) should be codified as securities legislation;
- which entities that engage in meeting vote reconciliation should be "market participants" or subject to compliance review provisions (where the "market participant" concept does not exist).

Although these comments and feedback did not result in any changes to the Protocols, we will take them into account when we assess the need for any enhanced regulatory measures.

Next Steps

CSA staff will monitor the voluntary implementation of the Protocols over the next two proxy seasons with the assistance of the Technical Committee, and assess the need for any enhanced regulatory measures.

CSA staff also encourage and intend to monitor industry initiatives aiming to find solutions for paperless meeting vote reconciliation and end-to-end vote confirmation through the Technical Committee.

Annexes to Notice

Annex A – CSA Staff Notice 54-305 *Meeting Vote Reconciliation Protocols*

Annex B – List of Commenters

Annex C – Meeting Vote Reconciliation Protocols Blackline

Questions

Please refer your questions to any of the following:

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ANNEX A

CSA STAFF NOTICE 54-305
MEETING VOTE RECONCILIATION PROTOCOLS

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Purpose and Scope

Meeting vote reconciliation consists of the processes used to tabulate proxy votes for shares held through intermediaries. The key entities that implement meeting vote reconciliation are

- CDS,
- intermediaries (typically bank custodians and investment dealers),
- the primary intermediary voting agent, Broadridge, and
- transfer agents that act as meeting tabulators.

Given the importance of shareholder voting to the quality and integrity of Canadian capital markets, meeting vote reconciliation needs to be accurate, reliable and accountable. Accurate, reliable and accountable meeting vote reconciliation has the following characteristics:

A. accurate and complete vote entitlement information for each intermediary that will solicit voting instructions from beneficial owners and submit proxy votes is provided to meeting tabulators;

B. meeting tabulators set up vote entitlement accounts for each intermediary in a consistent manner;

C. accurate and complete proxy vote information is provided to the meeting tabulator, and meeting tabulators tabulate and record the proxy votes in a consistent manner;

D. beneficial owners know if proxy votes submitted to the meeting tabulator in respect of their shares were not accepted at a meeting and the reason why.

The protocols (the **Protocols**) in this document contain CSA staff expectations on the roles and responsibilities of the key entities that implement meeting vote reconciliation and guidance on the kinds of operational processes that they should implement to support accurate, reliable and accountable meeting vote reconciliation. The Protocols have been developed taking into account existing operational processes, and in our view should not require a major technological overhaul of existing systems. However, if the key entities can identify and implement alternative ways to achieve accurate, reliable and accountable meeting vote reconciliation, these Protocols should not be viewed as preventing them from doing so.

Furthermore, in our view, the Protocols lay the foundation for the key entities to work collectively to

- eliminate paper and move to electronic transmission of vote entitlement and proxy vote information, and

- develop end-to-end vote confirmation capability that would allow beneficial owners, if they wish, to receive confirmation that their voting instructions have been received by their intermediary and submitted as proxy votes, and that those proxy votes have been received and accepted by the tabulator.

We strongly encourage and intend to monitor industry initiatives in these areas.

These Protocols have been drafted with specific reference to meeting vote reconciliation for uncontested meetings. However, some of the expectations and guidance are also relevant to meeting vote reconciliation for proxy contests and should be taken into account where appropriate.

Please refer to Appendix A for a flow chart that outlines at a high-level the information flows for meeting vote reconciliation assuming the processes outlined in the Protocols are implemented.

Finally, the Protocols do not address client account vote reconciliation. However, we encourage intermediaries to establish, maintain and apply written policies and procedures that specify

- how they determine which beneficial owner clients have voting entitlements for a particular meeting (including how this information is communicated to beneficial owner clients),
- how they reconcile voting entitlements to their positions with CDS, DTC or other intermediaries, and
- appropriate internal safeguards and controls to monitor the effectiveness of those processes.

How the Protocols are Organized

The Protocols are divided into four sections corresponding to the four characteristics of accurate, reliable and accountable meeting vote reconciliation.

Each Protocol is identified by a letter and two numbers. These correspond to the following:

- the section header letter;
- the document/information number; and
- the protocol number.

For example, Protocol A.1.1 is the first Protocol in the section **Generating and Sending Accurate and Complete Vote Entitlement Information for Each Intermediary that will Solicit Voting Instructions from Beneficial Owners and Submit Proxy Votes** and applies to/is relevant to vote entitlement information in the CDS Omnibus Proxy.

The Glossary contains explanations for the key terms used in the Protocols.

The Protocols

A. Generating and Sending Accurate and Complete Vote Entitlement Information for Each Intermediary that will Solicit Voting Instructions from Beneficial Owners and Submit Proxy Votes

Document and Information	Responsible Entity	Protocols
1. CDS OMNIBUS PROXY • Issuer Name • CUSIP • Record Date • Meeting Date • Signature • Alpha CUID • Intermediary Name • Number of Vote Entitlements	CDS Tabulator Issuer	1. As required by National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (NI 54-101), CDS will prepare the CDS Omnibus Proxy to provide vote entitlements to intermediaries that are CDS participants and deliver it to the tabulator and intermediaries. 2. Each intermediary that is a CDS participant is identified by a. its legal name as registered with CDS, and b. Alpha CUID. 3. The tabulator should contact CDS if it does not have the CDS Omnibus Proxy within a reasonable period following the record date (e.g. 1 week) and the tabulator should make reasonable efforts to obtain the CDS Omnibus Proxy (e.g. by following up with CDS and notifying the issuer if it is unable to obtain the CDS Omnibus Proxy despite this follow-up).
2. CEDE & CO OMNIBUS PROXY (DTC OMNIBUS PROXY) • Issuer Name • CUSIP • Record Date • Meeting Date • Signature • DTC Participant Number • Intermediary Name • Number of Vote Entitlements	Transfer agent Tabulator Issuer	1. DTC will prepare a DTC Omnibus Proxy to provide vote entitlements to intermediaries that are DTC participants and deliver it to the issuer in accordance with applicable U.S. securities laws. 2. Each intermediary that is a DTC participant is identified by a. its legal name as registered with DTC, and b. DTC Participant Number. 3. The tabulator should notify the issuer if it appears from the issuer's share register or the CDS Omnibus Proxy that a DTC Omnibus Proxy is required to enable U.S. beneficial owners to vote through U.S. intermediaries. The issuer should take all steps necessary to obtain a DTC Omnibus Proxy. The tabulator should assist the issuer in the process. 4. The tabulator should notify the issuer if it does not have the DTC Omnibus Proxy within a reasonable period (e.g. 7 business days) from the record date, and the issuer should take the necessary steps to obtain the DTC Omnibus Proxy. The tabulator should assist the issuer in the process.
3. SUPPLE-MENTAL OMNIBUS PROXY • Issuer Name • CUSIP • Record Date • Meeting Date • Signature **Intermediary Providing Vote Entitlements (Providing Intermediary)** • Intermediary Name • Alpha CUID if applicable	Intermediaries Broadridge	**General** 1. Section 4.3 of the Companion Policy to NI 54-101 states that it is important that the total number of votes cast at a meeting by an intermediary or persons or companies holding through an intermediary not exceed the number of votes for which the intermediary itself is a proxyholder. Intermediaries therefore are expected to design and implement a. appropriate processes to ensure that the meeting tabulator has complete and accurate vote entitlement information for each intermediary that will solicit voting instructions from beneficial owners and submit proxy votes, and b. appropriate internal safeguards and controls to monitor the effectiveness of those processes. 2. The Supplemental Omnibus Proxy is a key aspect of ensuring that a meeting tabulator has complete and accurate vote entitlement information. A Supplemental Omnibus Proxy is used by an intermediary

Document and Information	Responsible Entity	Protocols
• DTC Participant Number if applicable **Intermediary Receiving Vote Entitlements (Receiving Intermediary)** • Broadridge Client Number if applicable • Number of Vote Entitlements		(Providing Intermediary) to communicate to the tabulator that it is giving voting authority and vote entitlements to another intermediary (the Receiving Intermediary). The tabulator uses the information in the Supplemental Omnibus Proxy or Proxies to set up a vote entitlement account (also known as the Official Vote Entitlement) for an intermediary if that intermediary is not named on a CDS or DTC Omnibus Proxy. 3. A Providing Intermediary should prepare a Supplemental Omnibus Proxy for a Receiving Intermediary if a. the Receiving Intermediary is soliciting voting instructions from beneficial owner clients and submitting proxy votes on their behalf, and b. the tabulator will need a Supplemental Omnibus Proxy to establish that the Receiving Intermediary has vote entitlements and the amount of those vote entitlements. <u>Examples</u>*:* • *An intermediary is the clearing dealer for another intermediary (a client dealer). The clearing dealer (Providing Intermediary) should use a Supplemental Omnibus Proxy to give voting authority and vote entitlements to the client dealer (Receiving Intermediary).* • *A bank that is a CDS participant has Alpha CUID ABC. It acquires a dealer that is also a CDS participant, with Alpha CUID DEF. The bank must maintain the Alpha CUID DEF for a transitional period. For proxy voting purposes, however, the bank would like to have a single fungible vote entitlement account under Alpha CUID ABC. The dealer (the Providing Intermediary) with Alpha CUID DEF should use a Supplemental Omnibus Proxy to give voting authority and vote entitlements to the bank with Alpha CUID ABC (Receiving Intermediary)* • *A dealer holds a registered position on the issuer's share register via a nominee and wishes to consolidate that position as one fungible position with its CDS participant position to allow proxy votes to be submitted through Broadridge. The nominee (Providing Intermediary) should provide clear written authorization to the tabulator to give voting authority and entitlements to the dealer with the CDS participant position (Receiving Intermediary). The nominee (Providing Intermediary) should also provide clear written direction to the tabulator that the management form of proxy (and any associated proxy votes submitted on that form) for that nominee is void. Tabulators and intermediaries are encouraged to agree on standardized documentation to ensure that all information is consistently provided to the tabulator. Form 54-101F4* Omnibus Proxy (Proximate Intermediaries) *could be used for this purpose.* 4. If a Receiving Intermediary receives vote entitlements from more than one Providing Intermediary, each Providing Intermediary should generate a Supplemental Omnibus Proxy. This is necessary to enable the tabulator to properly set up a vote entitlement account for the Receiving Intermediary that contains a complete set of vote entitlements. <u>Example</u>*: XYZ Dealer's vote entitlements are derived from the CDS participant position of XYZ Bank as well as the DTC participant position of EFG Trustco. Each of XYZ Bank and EFG Trustco are Providing Intermediaries and should generate Supplemental Omnibus Proxies for XYZ Dealer (Receiving Intermediary) in order for the tabulator to set up a*

Document and Information	Responsible Entity	Protocols
		vote entitlement account for XYZ Dealer that contains both sets of vote entitlements. 5. A Supplemental Omnibus Proxy is not necessary if the tabulator has other information or identifiers that it can use to properly match a Receiving Intermediary's proxy votes to a vote entitlement account. In particular, the Alpha CUID could be used as such an identifier in the following circumstances: a. an intermediary's vote entitlement is entirely derived from and part of a fungible CDS participant position; b. the Alpha CUID is only included in the intermediary's Formal Vote Report in the above situation and otherwise left blank; c. the Formal Vote Report for that intermediary contains the Alpha CUID associated with the fungible CDS participant position in (a) above or the intermediary's name in the Formal Vote Report is an exact match with the name of the CDS or DTC participant name on the CDS or DTC Omnibus Proxy. *Example: ABC Bank (Providing Intermediary) has a business line called ABC Wealth (Receiving Intermediary). ABC Wealth's vote entitlements are entirely derived from and part of ABC Bank's fungible CDS participant position, which is associated with ABC Bank's Alpha CUID ABC. ABC Bank would not need to generate a Supplemental Omnibus Proxy for ABC Wealth so long as the Formal Vote Report for ABC Wealth contains the Alpha CUID ABC, enabling the tabulator to link ABC Wealth's proxy votes to ABC Bank's fungible CDS participant position.* 6. If a tabulator receives one or more Supplemental Omnibus Proxies in respect of a Receiving Intermediary, the tabulator can rely solely on the information contained in the Supplemental Omnibus Proxy or Proxies to establish the vote entitlements for the Receiving Intermediary. However, a tabulator should make reasonable efforts to adjust a Receiving Intermediary's vote entitlements in light of any additional information it receives. 7. Currently, Supplemental Omnibus Proxies are generally transmitted in paper form. Tabulators, intermediaries and Broadridge are strongly encouraged to collectively develop efficient electronic transmission methods for Supplemental Omnibus Proxies that incorporate appropriate intermediary identifiers and sequencing and trailer records to confirm transmission is complete. 8. Pending development and adoption of appropriate electronic transmission methods, Supplemental Omnibus Proxies should be sent by fax or scanned email, and not by paper mail. **Where Intermediary Uses Broadridge as Proxy Voting Agent** 9. Intermediaries that are Broadridge clients should provide Broadridge with all necessary information to generate any necessary Supplemental Omnibus Proxies and ensure that Broadridge as their proxy voting agent provides adequate support for the Supplemental Omnibus Proxy process. Intermediaries and Broadridge should understand the downstream impact on tabulation of the vote entitlement information that Broadridge provides to tabulators. Intermediaries that do not utilize Broadridge's services to generate Supplemental Omnibus Proxies are expected to follow the processes set out under the heading "Where Intermediary Does Not Use Broadridge" below.

Document and Information	Responsible Entity	Protocols
		10. Broadridge should assist their clients to properly set up accounts to generate Supplemental Omnibus Proxies. In particular: a. Broadridge should review the following annually with their clients: i. whether the correct entity name, Alpha CUID and DTC Participant Number are associated with each Broadridge Client Number; ii. that the list of omnibus accounts (i.e. accounts of Receiving Intermediaries that have been coded for Broadridge to generate Supplemental Omnibus Proxies on behalf of the Providing Intermediaries) is correct and complete, and b. if there is a change in a client's business that could impact the client's vote entitlements for proxy voting purposes, Broadridge should work with the client to review the effect on vote entitlements and make any necessary adjustments. **Where Intermediary Does Not Use Broadridge** 11. The intermediary should create a Supplemental Omnibus Proxy in paper or other form and take reasonable steps to confirm that it is in a format that will be acceptable to the tabulator. 12. The intermediary should deliver the Supplemental Omnibus Proxy directly to the tabulator. 13. The intermediary may request the tabulator to confirm receipt and if so should provide accurate contact information. If a request is made, the tabulator should confirm receipt within a reasonable period (e.g. 2 business days of receiving the request).
4. NOBO OMNIBUS PROXY • Issuer Name • CUSIP • Record Date • Meeting Date **Intermediary Providing Entitlement** • Alpha CUID if applicable • DTC Participant Number if applicable • Broadridge Client Number if applicable	Intermediaries Broadridge Issuer	1. These protocols apply where an issuer has chosen to solicit voting instructions directly from NOBOs using a service provider other than Broadridge. 2. An intermediary will prepare a NOBO Omnibus Proxy and attach a NOBO list as required by NI 54-101. 3. An intermediary is expected to take appropriate steps to ensure that the NOBO list is accurate, and in particular, does not contain OBO information or registered holder information. The inclusion of this type of information increases the risk of double voting and over-voting. **Where Intermediary Uses Broadridge or Other Entity as Proxy Voting Agent** 4. Each intermediary is expected to work with their proxy voting agent to properly code accounts and correct any errors to avoid incorrect information being included in the NOBO list. 5. A tabulator that becomes aware of errors in the NOBO list should notify the relevant proxy voting agent and the relevant intermediary. Intermediaries and their proxy voting agent should provide up-to-date contact information to tabulators and respond to inquiries on a timely basis (e.g. 1 business day). 6. The intermediary and proxy voting agent should rectify the problems causing those errors both for that individual meeting as well as for any other meetings going forward if applicable.

Document and Information	Responsible Entity	Protocols
		7. An intermediary that receives a request from a NOBO client to assist it to vote its shares should direct the NOBO client to the issuer's transfer agent as the intermediary no longer has the authority to submit proxy votes in respect of those shares. If a NOBO client wishes the intermediary to submit proxy votes on its behalf, the intermediary would need to obtain voting authority and vote entitlements in respect of that NOBO client. The intermediary could do so in one of the following two ways: a. the intermediary revokes the prior NOBO omnibus proxy; b. the issuer's management generates a Supplemental Omnibus Proxy giving voting authority and vote entitlements to the intermediary. In each case, the intermediary would submit proxy votes through a restricted proxy or other valid method of voting, but only in respect of that specific NOBO client position.

B. Setting up Vote Entitlement Accounts (Official Vote Entitlements) in a Consistent Manner

Entitlement Documents	Responsible Entity	Protocols
1. CDS OMNIBUS PROXY AND DTC OMNIBUS PROXY	Tabulator	1. The tabulator should set up a vote entitlement account for each intermediary that is identified as having a CDS participant position through a CDS Omnibus Proxy or a DTC participant position through a DTC Omnibus Proxy, along with the relevant Alpha CUID or DTC Participant Number, as applicable. 2. However, where an intermediary with the same name is identified on both a CDS Omnibus Proxy and DTC Omnibus Proxy, only one vote entitlement account should be created for that intermediary. In the alternative, the account entitlements should be cross-referenced with the intermediary name, the Alpha CUID, and the DTC Participant Number. 3. Intermediaries and Broadridge should consider how to deal with the situation where an intermediary has different CDS and DTC participant names, even though the positions are fungible from a voting perspective. There should be a Supplemental Omnibus Proxy from the CDS participant (Providing Intermediary) giving voting authority and vote entitlements to the DTC participant (Receiving Intermediary) or vice versa.
2. SUPPLEMENTAL OMNIBUS PROXY	Tabulator	1. If the Receiving Intermediary's name is an exact match for the name on the CDS and/or DTC Omnibus Proxies, the Receiving Intermediary's vote entitlements should be added to the vote entitlement account for the relevant CDS participant position. 2. If there is no name match, the tabulator should set up a separate vote entitlement account for the Receiving Intermediary identified in a Supplemental Omnibus Proxy, denoted by the Receiving Intermediary's name and Broadridge Client Number (if applicable). The tabulator should subtract the Receiving Intermediary's vote entitlements from the Providing Intermediary's vote entitlement account. The tabulator should link the Providing Intermediary on a Supplemental Omnibus Proxy to a vote entitlement account if any of the following applies in the following order: a. same Alpha CUID or DTC Participant Number; b. same Broadridge Client Number as the Receiving Intermediary on a Supplemental Omnibus Proxy;

Entitlement Documents	Responsible Entity	Protocols
		c. exact name match. 3. Intermediaries and Broadridge should consider changing the Supplemental Omnibus Proxy to include the Alpha CUID/DTC Participant Number for a Receiving Intermediary where the Receiving Intermediary's vote entitlements are fungible with the CDS/DTC participant position associated with that Alpha CUID/DTC Participant Number. This change would reduce the number of vote entitlement accounts that need to be set up by the tabulator.
3. NOBO OMNIBUS PROXY	Tabulator	1. The tabulator should set up vote entitlement accounts for each NOBO identified on the NOBO list it receives, in order to permit NOBO voting instructions to be properly recorded and tracked. 2. The tabulator should subtract the aggregate number of NOBO vote entitlements allocated by a Providing Intermediary from the Providing Intermediary's vote entitlement account. The tabulator should link the Providing Intermediary on a NOBO Omnibus Proxy to a vote entitlement account if any of the following applies, in the following order: a. same Alpha CUID; b. same Broadridge Client Number as the Providing Intermediary on a Supplemental Omnibus Proxy; c. exact name match.

C. Sending Accurate and Complete Proxy Vote Information and Tabulating and Recording Proxy Votes in a Consistent Manner

Document and Information	Responsible Entity	Protocols
1. BROADRIDGE CLIENT PROXY AND FORMAL VOTE REPORT (FORMAL VOTE REPORT) • Date and Time • Page number • CUSIP Voting Total • CUSIP • Record Date • Meeting Date • Signature • Number of Votes (For, Against, Abstain) broken down by Intermediary Name • Intermediary will also be identified by - Broadridge Client Number	Intermediaries Broadridge Tabulator	**Generation and Sending** 1. Broadridge generates and sends the Formal Vote Report on behalf of each intermediary client. 2. The same Alpha CUID and/or DTC Participant Number may be associated with more than one Broadridge Client Number on the Formal Vote Report. 3. Each Broadridge Client Number should have only one Alpha CUID and/or DTC Participant Number associated with it on the Formal Vote Report. 4. Broadridge should assist their clients to properly set up accounts for purposes of generating Formal Vote Reports. In particular Broadridge should review annually with their clients the information included in a Formal Vote Report (client name, Alpha CUID and DTC Participant Number). Intermediaries and Broadridge should understand the downstream impact on tabulation of information in the Formal Vote Report that Broadridge provides to tabulators. **Tabulation** 5. The tabulator should match an intermediary's proxy votes in a Formal Vote Report to a vote entitlement account using the vote entitlement information available to it. As noted above, intermediaries a. are expected to implement appropriate processes to ensure that the meeting tabulator has complete and accurate vote entitlement information for each intermediary that solicits voting instructions and submits proxy votes, and b. should understand the downstream impact on tabulation of the

Document and Information	Responsible Entity	Protocols
- Alpha CUID if applicable - DTC Participant Number if applicable **Supplemental Vote** • Total voted to date by intermediary **Appointee** • Includes Broadridge Client Number, DTC Participant Number and Alpha CUID as applicable **Director's Exception Report** • Broadridge Client Number if applicable		vote entitlement information that Broadridge provides to tabulators. 6. If it appears to the tabulator that an intermediary that submits proxy votes is in an over-vote position caused by missing or incomplete vote entitlement information, the tabulator should make reasonable efforts to obtain that information before the meeting occurs. Examples of such efforts would include the following: a. using an association table provided by Broadridge that sets out the various identifiers for intermediaries to match proxy votes to vote entitlement accounts, provided that the association table is up-to-date, publicly available, and electronically searchable; b. contacting the intermediaries or Broadridge to notify them of the problem and request additional information. Intermediaries and Broadridge should provide up-to-date contact information to tabulators and respond to inquiries on a timely basis (e.g. within 1 business day). Tabulators and CDS should also provide intermediaries and Broadridge with up-to-date contact information to assist in resolving issues. 7. If an intermediary is contacted by a tabulator regarding an over-vote position, the intermediary is expected to take reasonable steps to address the problem and verify with the tabulator that the problem has been rectified before the meeting occurs. Where the tabulator contacts Broadridge, Broadridge should notify the intermediary or itself take reasonable steps to rectify the problem before the meeting occurs, if it is in a position to do so. For example, if a tabulator did not receive a Supplemental Omnibus Proxy that Broadridge sent on behalf of an intermediary, Broadridge should re-send the document. Some beneficial owner clients may wish to know if their intermediary or Broadridge (as applicable) is unable to obtain verification from the tabulator that the situation has been resolved, such that the proxy votes submitted by the intermediary could potentially be pro-rated or rejected. If this is the case, intermediaries should establish appropriate notification methods for those clients, working with Broadridge and their clients as needed. 8. The tabulator should subtract from an individual director's tally the total number of votes withheld on the Director's Exception Report. The tabulator can rely on the Broadridge Client Number on the Director's Exception Report to match to the corresponding vote on the Formal Vote Report.
2. RESTRICTED AND OTHER PROXIES • Intermediary Name • Number of shares to which proxy is restricted • Alpha CUID if applicable • DTC Participant Number if applicable • Certification that the	Beneficial owner Intermediaries Broadridge Issuer Tabulator	1. An intermediary that generates a restricted proxy or other form of proxy should deliver it directly to the tabulator if it has been completed, or to the relevant beneficial owner for completion and submission to the tabulator. 2. The intermediary or other person submitting the proxy may request that the tabulator confirm that it has received the proxy and should provide accurate information about where the confirmation is to be sent. 3. The tabulator should provide confirmation within a reasonable period (e.g. 2 business days) if such a request is received. 4. An intermediary should not issue a restricted proxy to a. an OBO client, or b. where the issuer has retained Broadridge to solicit voting instructions directly from NOBO clients, a NOBO client unless the intermediary has blocked the relevant client account from being voted through Broadridge.

Document and Information	Responsible Entity	Protocols
intermediary has taken all necessary steps to revoke any previous proxy votes in respect of that position and to block future voting of the restricted position through Broadridge or a NOBO VIF • Signature		5. An intermediary should not issue a restricted proxy to a NOBO client when the issuer has retained a service provider other than Broadridge to solicit voting instructions directly from NOBO clients unless the intermediary has confirmed that it has obtained the necessary voting authority and vote entitlements in respect of that NOBO client. 6. The tabulator should match an intermediary's proxy votes in a restricted proxy to a vote entitlement account using the vote entitlement information available to it. If it appears to the tabulator that the intermediary is in an over-vote position caused by missing or incomplete vote entitlement information, the tabulator should make reasonable efforts to contact the intermediary to obtain that information. 7. The restricted proxy should contain accurate and up-to-date contact information for the intermediary. 8. Upon receiving a request from the intermediary or other person submitting the proxy, and subject to receipt of accurate information about where the information is to be sent, the issuer should instruct the tabulator to notify the intermediary or other person if the vote was rejected or uncounted, based on the Final Scrutineer's Report, within a reasonable period. A reasonable period would be the later of a. 2 business days of the Final Scrutineer's Report being completed, and b. 2 business days of the issuer instruction to the tabulator. If the issuer does not provide this instruction, the tabulator should notify the requestor.
3. REPORT OF VOTES RECEIVED FROM BROADRIDGE	Tabulator Intermediary Broadridge	1. Tabulators, intermediaries and Broadridge should develop appropriate mechanisms to support confirmation that all votes submitted by Broadridge on behalf of intermediary clients have been received by the tabulator. Parties should take reasonable steps to rectify any situation where the tabulator has not received such votes. One example of an appropriate mechanism is for the tabulator to provide Broadridge with confirmation of the total number of votes received at proxy cut-off or 48 hours before the meeting, whichever is earlier, to enable Broadridge to detect if any votes were sent but not received. Upon receipt of this information, Broadridge should determine if the number of votes received by the tabulator does not match their records and notify the tabulator of proxy votes that were sent by Broadridge and should have been received by proxy cut-off. A tabulator should also make reasonable efforts to notify Broadridge if it identifies discrepancies in the number of votes received prior to proxy cut-off/48 hours before the meeting. Another example of an appropriate mechanism is for Broadridge to incorporate features such as sequencing and trailer records into Formal Vote Reports that would permit real-time confirmation that transmission is complete.
4. FINAL SCRUTINEER'S REPORT	Tabulator	1. The tabulator should prepare a Final Scrutineer's Report for the issuer that includes the following information: a. the number of votes received and not included in the final tally; b. any missing CDS or DTC Omnibus Proxy; c. for each intermediary that submitted proxy votes, a breakdown of i. the number of votes not included in the final tally by intermediary and the reason why (e.g. no valid vote entitlement, proxy was deficient), and

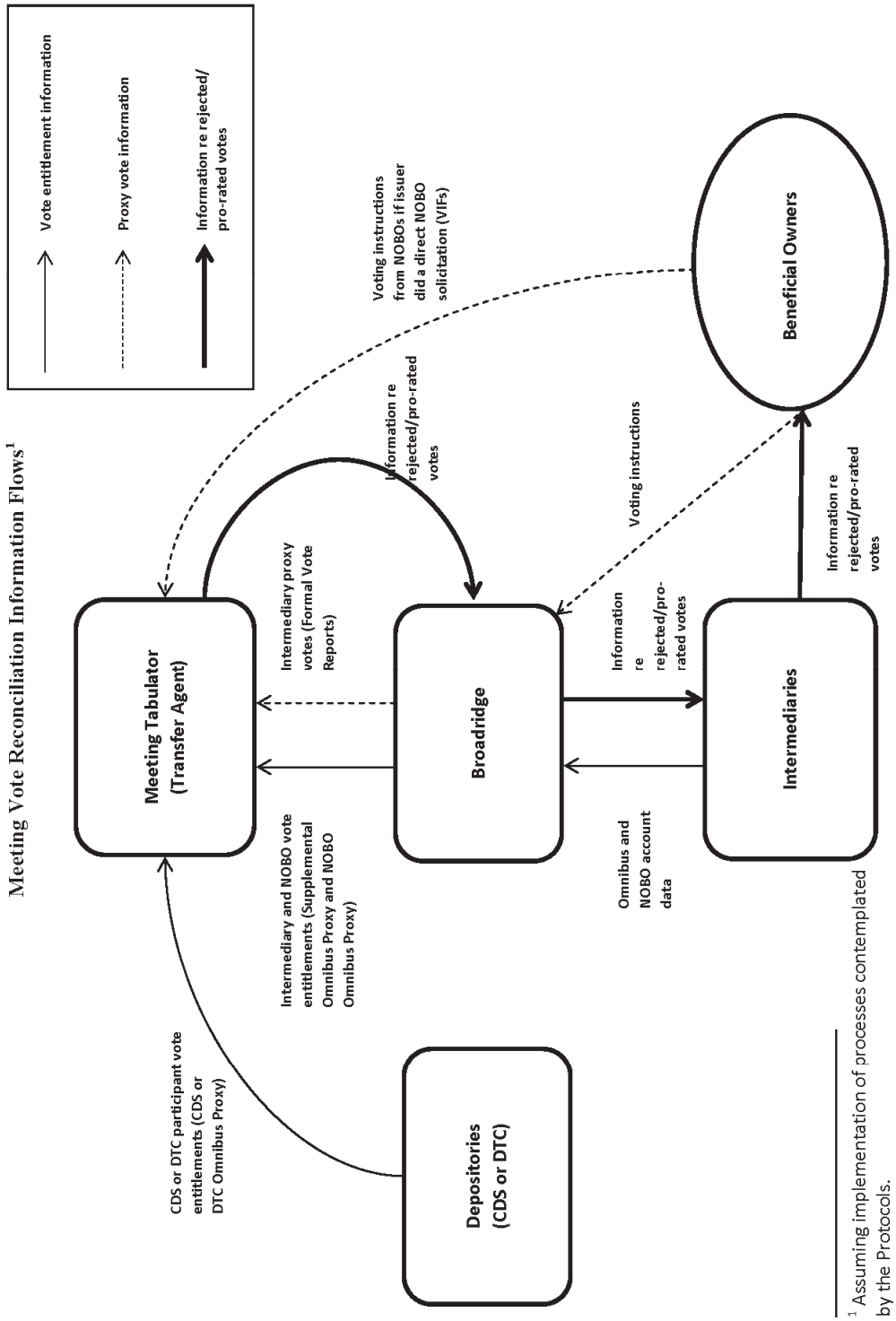
Document and Information	Responsible Entity	Protocols
		ii. the number of any over-votes and any resulting % pro-ration, and d. the number of For/Against/Abstain proxy votes included or excluded as a result of a chair's ruling, broken down by intermediary and by specific motion.

D. Informing Beneficial Owners of Rejected/Pro-rated Votes

Document and Information	Responsible Entity	Protocols
1. REJECTED/ PRO-RATED VOTES RECEIVED FROM BROADRIDGE • Issuer Name • CUSIP • Number of proxy votes rejected/ uncounted and pro-rated broken down by intermediary and reason (no/insufficient entitlement, ruling of chair). • Confirmation if late proxies were accepted.	Issuer Tabulator Intermediaries Broadridge	1. Rejection or pro-ration of proxy votes should be a rare occurrence if intermediaries provide accurate and complete vote entitlement information and tabulators make reasonable efforts to obtain any missing vote entitlement information. However, if in the final tabulation, the tabulator or meeting chair rejects or pro-rates an intermediary's proxy votes submitted on a Formal Vote Report, including because vote entitlements could not be located despite the tabulator's reasonable efforts, the issuer should instruct the tabulator to notify Broadridge within a reasonable period of completing final tabulation. At this time, a reasonable period would be 10 business days. Communication could take place by the issuer instructing the tabulator to send Broadridge the following information: a. a list of the votes that were not included in the final tally by intermediary (including any votes from registered shareholders); b. the number of any over-votes and resulting % pro-ration; c. any attempts by the tabulator to contact the relevant intermediary before the meeting to resolve the over-vote. Tabulators and Broadridge are encouraged to develop appropriate electronic communication methods to streamline the transmission of this information and reduce the period of time. 2. Broadridge should provide this information to the relevant intermediary clients within a reasonable period of time (e.g. 1 business day of receiving the information). 3. Intermediaries should make this information available to their beneficial owner clients within a reasonable period of time (e.g. 2 business days) of the tabulator providing the relevant information to Broadridge. Intermediaries should discuss with their beneficial owner clients the appropriate method of providing this information. 4. Intermediaries, with the assistance of Broadridge, are expected to put appropriate processes in place to rectify any problems as soon as reasonably practicable with the vote entitlement information so that the issue does not arise going forward. 5. Tabulators, intermediaries and Broadridge are also encouraged to work together to develop end-to-end vote confirmation capability to enable investors that wish to do so to confirm whether their proxy votes have been accepted, including in "real time" where appropriate.

APPENDIX A

Meeting Vote Reconciliation Information Flows[1]



[1] Assuming implementation of processes contemplated by the Protocols.

APPENDIX B

Glossary[2]

Term	Meaning
Alpha CUID	A three-letter company code that is used by CDS to identify a CDS participant in the CDS Omnibus Proxy.
Beneficial owner	An investor who is not a registered holder of shares, and whose ownership is through a securities entitlement in an intermediary account.
Broadridge	Refers to Broadridge Investor Communication Solutions Canada, a subsidiary of Broadridge Financial Solutions, Inc. It is a service provider that assists intermediaries in various aspects of proxy voting, including solicitation of voting instructions from beneficial owners and submitting proxy votes on behalf of intermediaries to tabulators.
Broadridge Client Number	A numeric identifier assigned by Broadridge to its intermediary clients.
Cede & Co.	The nominee for DTC that is registered as the holder of shares on an issuer's register. See DTC.
Cede & Co. Omnibus Proxy	See DTC Omnibus Proxy.
CDS	Refers to the Canadian Depository for Securities Limited or its subsidiary CDS Clearing and Depository Services Inc. as the context requires. Canadian Depository for Securities Limited is registered as the holder of most shares on an issuer's register. CDS Clearing and Depository Services Inc. is the national securities depository in Canada. See also depository.
CDS Omnibus Proxy	The omnibus proxy CDS uses to allocate vote entitlements/give voting authority to client intermediaries that are CDS participants.
Clearing dealer	An intermediary that is principal for clearing and settling a trade on behalf of another intermediary. See intermediary.
Client account vote reconciliation	The process by which intermediaries reconcile and allocate vote entitlements to individual client accounts. Client account vote reconciliation involves the internal back-office systems of intermediaries and how they track and allocate vote entitlements for individual client accounts.See vote reconciliation.
CUSIP	Stands for Committee on Uniform Securities Identification Procedures. A nine digit identifier assigned to securities of issuers in the U.S. and Canada. The CUSIP system is owned by the American Bankers Association and operated by Standard & Poor's to facilitate the clearing and settlement process of securities.
Custodian	A financial institution that holds securities for another person or entity. Custodians in Canada also administer securities lending programs and act as agents for lenders which are typically large institutional investors. See intermediary.
Depository	An entity that performs a clearing and settlement function for publicly traded securities.
Depository (CDS or DTC) participant	A person or company for whom a depository maintains an account in which entries may be made to effect a transfer or pledge of a security.
Depository (CDS or DTC) participant position	The total number of vote entitlements allocated to a CDS or DTC participant in the CDS or DTC Omnibus Proxy.
DTC	Stands for Depository Trust Company, a subsidiary of Depository Trust and Clearing Corporation. It is the national securities depository in the United States and holds securities through its nominee Cede & Co. See depository.

[2] This Glossary contains explanations for the key terms used in the Protocols. These explanations are not legal definitions for purposes of securities legislation.

Term	Meaning
DTC Participant Number	A four-digit company code that is used by DTC to identify a DTC participant in the DTC Omnibus Proxy. Also known as DTC number.
DTC Omnibus Proxy	The omnibus proxy DTC uses to allocate vote entitlements/give voting authority to client intermediaries that are DTC participants. Also known as Cede & Co. Omnibus Proxy.
Director's Exception Report	A report identifying shares that are withheld for a specific director.
Double voting	Occurs where more than one entity is allowed or not prevented from voting the same share, or where the same entity votes its shares twice.
Final Scrutineer's Report	A report provided by the meeting tabulator to the issuer regarding the final voting results after the tabulation has been completed.
Form of proxy	A document by which a security holder or other person with authority to vote appoints a person or company as the security holder's nominee to attend and act for on the security holder's behalf at a meeting of security holders.
Formal Vote Report	A form of proxy generated by Broadridge that reflects the voting instructions received from beneficial owners, aggregated by intermediary.
Fungible CDS participant position	When used in relation to an intermediary's CDS participant position, refers to a position that does not contain any segregated client accounts within it.
Intermediary	A person or company that, in connection with its business, holds security on behalf of another person or company (e.g. a custodian or investment dealer).
Investment dealer	A person or company registered under securities law to trade securities for its own account or on behalf of its clients. See also intermediary.
Issuer	A person or company who has outstanding securities, issues or proposes to issue, a security.
Meeting vote reconciliation	Consists of the processes used to tabulate proxy votes for shares held through intermediaries. Meeting vote reconciliation involves systems and processes that link depositories, intermediaries and meeting tabulators with one another in order for the following three things to occur: 1. Depositories and intermediaries provide vote entitlement information to meeting tabulators through omnibus proxies, 2. Meeting tabulators establish vote entitlement accounts for intermediaries, and 3. Meeting tabulators reconcile intermediary proxy votes to the vote entitlement accounts. See vote reconciliation.
NOBO	Stands for non-objecting beneficial owner. A beneficial owner of shares in the intermediated holding system who does not object to disclosure of his name, contact information and securities holdings.
NOBO list	For purposes of a direct NOBO solicitation by an issuer, a document generated by an intermediary or an intermediary service provider (in practice, Broadridge) that contains information regarding NOBOs.
NOBO Omnibus Proxy	For purposes of a direct NOBO solicitation by an issuer, an omnibus proxy an intermediary uses to allocate vote entitlements to management of an issuer to give management authority to vote the number of shares that are in the intermediary's NOBO client accounts. See omnibus proxy.
Nominee	A person or company whose name is given as holding securities but is not the actual owner.
OBO	Stands for objecting beneficial owner. A beneficial owner of shares in the intermediated holding system who objects to the intermediary disclosing his name, contact information and securities holdings.
Official Vote Entitlement	See vote entitlement account.

Term	Meaning
Omnibus account	Accounts of Receiving Intermediaries that have been coded for Broadridge to generate Supplemental Omnibus Proxies on behalf of the Providing Intermediaries.
Omnibus proxy	A proxy used by the depository or intermediary who is the registered holder or who itself holds a proxy to give its clients authority to vote the number of shares in the client's account as at the record date. Includes the CDS Omnibus Proxies, DTC Omnibus Proxies, Supplemental Omnibus Proxies and NOBO Omnibus Proxies.
Over-voting	Occurs where an intermediary submits proxy votes and the meeting tabulator cannot establish that the intermediary has any vote entitlements, or the number of proxy votes submitted by an intermediary exceeds the number of shares in the vote entitlement account that the meeting tabulator has calculated for that intermediary based on omnibus proxies.
Providing Intermediary	An intermediary that allocates vote entitlements/gives voting authority to another intermediary (Receiving Intermediary) using a Supplemental Omnibus Proxy. See also intermediary and Supplemental Omnibus Proxy.
Proxy cut-off	The cut-off time for the delivery of proxy votes.
Proxy solicitor	A service provider that assists with the solicitation of proxies by identifying and contacting investors and encouraging them to vote their shares in favour of the party soliciting the proxies.
Proxy vote	An executed form of proxy submitted to the meeting tabulator that contains voting instructions from registered holders or beneficial owners. See formal vote report.
Receiving Intermediary	An intermediary that receives vote entitlements/voting authority from another intermediary (Providing Intermediary) through a Supplemental Omnibus Proxy. See also intermediary and Supplemental Omnibus Proxy.
Record date	For a meeting, the date, if any, established in accordance with corporate law for the determination of the registered holders of securities that are entitled to vote at the meeting.
Registered holder	The person or company shown as the holder of the security on the books and records of the issuer.
Registered position	The number of securities held by a registered holder as shown on the books and records of the issuer.
Report of voting results	A report that is required to be filed under securities law by non-venture issuers to disclose voting results.
Restricted proxy	A form of proxy used by an intermediary to directly submit proxy votes to the meeting tabulator on behalf of a client for whom it holds shares. See form of proxy.
Scrutineer's Report	A report provided by the meeting tabulator to the company regarding the voting results.
Share register	The books and records of the issuer showing the number of securities held by security holders.
Supplemental Omnibus Proxy	An omnibus proxy intermediaries use to allocate vote entitlements/give voting authority to client intermediaries. Also known as intermediary omnibus proxy or mini omnibus proxy. See also omnibus proxy.
Tabulator	The entity designated by an issuer to review the proxy votes it receives and assess whether these are valid votes that should be counted for the meeting. In Canada, the transfer agent of the issuer usually acts as the meeting tabulator.
Transfer agent	A trust company appointed by a corporation to transfer ownership of its shares. In the majority of instances, the trust company in its capacity as transfer agent maintains the shareholder register and provides other related services. Transfer agents in Canada generally belong to the Securities Transfer Association of Canada.

Term	Meaning
Vote entitlement	The number of shares in respect of which a security holder or other person with authority to vote has voting authority for a meeting.
Vote entitlement account	Also known as the Official Vote Entitlement. The vote entitlements of an intermediary as determined by the meeting tabulator based on the depository omnibus proxies (CDS Omnibus Proxy and DTC omnibus proxy) and Supplemental Omnibus Proxies received. Where an issuer chooses to do a NOBO solicitation, intermediaries (in practice, through their service provider Broadridge) will also send the meeting tabulator a NOBO Omnibus Proxy that the tabulator will use to establish the vote entitlement accounts for NOBOs. See also vote entitlement.
Vote reconciliation	The process by which proxy votes from registered holders and voting instructions from beneficial owners are reconciled against the securities entitlements in the intermediated holding system. CSA Staff Notice 54-303 *Progress Report on Review of the Proxy Voting Infrastructure* identified two distinct aspects of vote reconciliation: client account vote reconciliation and meeting vote reconciliation.
Voting Instruction Form (VIF)	A document by which beneficial owners provide voting instructions to intermediaries. Where the issuer chooses to conduct a NOBO solicitation, a document by which NOBOs provide voting instruction to management of the issuer.

ANNEX B

LIST OF COMMENTERS

1. Broadridge Investor Communications Corporation
2. Canadian Advocacy Council for Canadian CFA Institute Societies
3. Canadian Investor Relations Institute
4. Canadian Society of Corporate Secretaries (now the Governance Professionals of Canada)
5. Alberta Investment Management Corporation, British Columbia Investment Management Corporation, Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, OMERS Administration Corporation, Ontario Teachers' Pension Plan and Public Sector Pension Investment Board
6. Hansell LLP
7. Investment Industry Association of Canada
8. OMERS Administration Corporation
9. Norton Rose Fulbright Canada LLP, on behalf of an issuer working group
10. Securities Transfer Association of Canada

ANNEX C

MEETING VOTE RECONCILIATION PROTOCOLS BLACKLINE

TABLE OF CONTENTS

Purpose and Scope

Meeting vote reconciliation consists of the processes used to tabulate proxy votes for shares held through intermediaries. The key entities that implement meeting vote reconciliation are

- CDS,
- intermediaries (typically bank custodians and investment dealers),
- the primary intermediary voting agent, Broadridge, and
- transfer agents that act as meeting tabulators.

Given the importance of shareholder voting to the quality and integrity of Canadian capital markets, meeting vote reconciliation needs to be accurate, reliable and accountable. Accurate, reliable and accountable meeting vote reconciliation has the following characteristics:

A. accurate and complete vote entitlement information for each intermediary that will solicit voting instructions from beneficial owners and submit proxy votes is provided to meeting tabulators;

B. meeting tabulators set up vote entitlement accounts for each intermediary in a consistent manner;

C. accurate and complete proxy vote information is provided to the meeting tabulator, and meeting tabulators tabulate and record the proxy votes in a consistent manner;

D. beneficial owners know if proxy votes submitted to the meeting tabulator in respect of their shares were not accepted at a meeting and the reason why.

The protocols (the **Protocols**) in this document contain CSA staff expectations on the roles and responsibilities of the key entities that implement meeting vote reconciliation and guidance on the kinds of operational processes that they should implement to support accurate, reliable and accountable meeting vote reconciliation. The Protocols have been developed taking into account existing operational processes, and in our view should not require a major technological overhaul of existing systems. However, if the key entities can identify and implement alternative ways to achieve accurate, reliable and accountable meeting vote reconciliation, these Protocols should not be viewed as preventing them from doing so.

Furthermore, in our view, the Protocols lay the foundation for the key entities to work collectively to

- eliminate paper and move to electronic transmission of vote entitlement and proxy vote information, and

- develop end-to-end vote confirmation capability that would allow beneficial owners, if they wish, to receive confirmation that their voting instructions have been received by their intermediary and submitted as proxy votes, and that those proxy votes have been received and accepted by the tabulator.

We strongly encourage and intend to monitor industry initiatives in these areas.

These Protocols have been drafted with specific reference to meeting vote reconciliation for uncontested meetings. However, some of the expectations and guidance are also relevant to meeting vote reconciliation for proxy contests and should be taken into account where appropriate.

Please refer to Appendix A for a flow chart that outlines at a high-level ~~how~~the information flows for meeting vote reconciliation ~~should occur~~assuming the processes outlined in the Protocols are implemented.

Finally, the Protocols do not address client account vote reconciliation. However, we encourage intermediaries to establish, maintain and apply written policies and procedures that specify

- how they determine which beneficial owner clients have voting entitlements for a particular meeting (including how this information is communicated to beneficial owner clients),
- how they reconcile voting entitlements to their positions with CDS, DTC or other intermediaries, and
- appropriate internal safeguards and controls to monitor the effectiveness of those processes.

How the Protocols are Organized

The Protocols are divided into four sections corresponding to the four characteristics of accurate, reliable and accountable meeting vote reconciliation.

Each Protocol is identified by a letter and two numbers. These correspond to the following:

- the section header letter;
- the document/information number; and
- the protocol number.

For example, Protocol A.1.1 is the first Protocol in the section **Generating and Sending Accurate and Complete Vote Entitlement Information for Each Intermediary that will Solicit Voting Instructions from Beneficial Owners and Submit Proxy Votes** and applies to/is relevant to vote entitlement information in the CDS Omnibus Proxy.

The Glossary contains explanations for the key terms used in the Protocols.

The Protocols

A. Generating and Sending Accurate and Complete Vote Entitlement Information for Each Intermediary that will Solicit Voting Instructions from Beneficial Owners and Submit Proxy Votes

Document and Information	Responsible Entity	Protocols
1. CDS OMNIBUS PROXY • Issuer Name • CUSIP • Record Date • Meeting Date • Signature • Alpha CUID • Intermediary Name • Number of Vote Entitlements	CDS Tabulator Issuer	1. As required by National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (NI 54-101), CDS will prepare the CDS Omnibus Proxy to provide vote entitlements to intermediaries that are CDS participants and deliver it to the tabulator and intermediaries. 2. Each intermediary that is a CDS participant is identified by a. its legal name as registered with CDS, and b. Alpha CUID. 3. The tabulator should contact CDS if it does not have the CDS Omnibus Proxy within a reasonable period following the record date (e.g. 1 week) and the tabulator should make reasonable efforts to obtain the CDS Omnibus Proxy (e.g. by following up with CDS and notifying the issuer if it is unable to obtain the CDS Omnibus Proxy despite this follow-up).
2. CEDE & CO OMNIBUS PROXY (DTC OMNIBUS PROXY) • Issuer Name • CUSIP • Record Date • Meeting Date • Signature • DTC Participant Number • Intermediary Name • Number of Vote Entitlements	Transfer agent Tabulator Issuer	1. DTC will prepare a DTC Omnibus Proxy to provide vote entitlements to intermediaries that are DTC participants and deliver it to the issuer in accordance with applicable U.S. securities laws. 2. Each intermediary that is a DTC participant is identified by a. its legal name as registered with DTC, and b. DTC Participant Number. 3. The tabulator should notify the issuer if it appears from the issuer's share register or the CDS Omnibus Proxy that a DTC Omnibus Proxy is required to enable U.S. beneficial owners to vote through U.S. intermediaries. The issuer should take all steps necessary to obtain a DTC Omnibus Proxy. The tabulator should assist the issuer in the process. 4. The tabulator should notify the issuer if it does not have the DTC Omnibus Proxy within a reasonable period (e.g. 7 business days) from the record date, and the issuer should take the necessary steps to obtain the DTC Omnibus Proxy. The tabulator should assist the issuer in the process.
3. SUPPLE-MENTAL OMNIBUS PROXY • Issuer Name • CUSIP • Record Date • Meeting Date • Signature **Intermediary Providing Vote Entitlements (Providing Intermediary)** • Intermediary Name • Alpha CUID if applicable	Intermediaries Broadridge	**General** 1. Section 4.3 of the Companion Policy to NI 54-101 states that it is important that the total number of votes cast at a meeting by an intermediary or persons or companies holding through an intermediary not exceed the number of votes for which the intermediary itself is a proxyholder. Intermediaries ~~are~~ therefore are expected to design and implement ~~appropriate processes to ensure that the meeting tabulator has complete and accurate vote entitlement information for each intermediary that will solicit voting instructions from beneficial owners and submit proxy votes. The following Protocols provide guidance on the processes that should be used to transfer voting authority and voting entitlements from one intermediary to another and the information to be provided to the tabulator.~~ a. appropriate processes to ensure that the meeting tabulator has complete and accurate vote entitlement information for each intermediary that will solicit voting instructions from beneficial owners and submit proxy votes, and

Document and Information	Responsible Entity	Protocols
• DTC Participant Number if applicable **Intermediary Receiving Vote Entitlements (Receiving Intermediary)** • Broadridge Client Number if applicable • Number of Vote Entitlements		b. appropriate internal safeguards and controls to monitor the effectiveness of those processes. 2. The Supplemental Omnibus Proxy is a key aspect of ensuring that a meeting tabulator has complete and accurate vote entitlement information. A Supplemental Omnibus Proxy is used by an intermediary (Providing Intermediary) to communicate to the tabulator that it is giving voting authority and vote entitlements to another intermediary (the Receiving Intermediary). The tabulator uses the information in the Supplemental Omnibus Proxy or Proxies to set up a vote entitlement account (also known as the Official Vote Entitlement) for an intermediary if that intermediary is not named on a CDS or DTC Omnibus Proxy. 3. A Providing Intermediary should prepare a Supplemental Omnibus Proxy for a Receiving Intermediary if a. the Receiving Intermediary is soliciting voting instructions from beneficial owner clients and submitting proxy votes on their behalf, and b. the tabulator will need a Supplemental Omnibus Proxy to establish that the Receiving Intermediary has vote entitlements and the amount of those vote entitlements. *Examples:* • *An intermediary is the clearing dealer for another intermediary (a client dealer). The clearing dealer (Providing Intermediary) should use a Supplemental Omnibus Proxy to give voting authority and vote entitlements to the client dealer (Receiving Intermediary).* • *A bank that is a CDS participant has Alpha CUID ABC. It acquires a dealer that is also a CDS participant, with Alpha CUID DEF. The bank must maintain the Alpha CUID DEF for a transitional period. For proxy voting purposes, however, the bank would like to have a single fungible vote entitlement account under Alpha CUID ABC. The dealer (the Providing Intermediary) with Alpha CUID DEF should use a Supplemental Omnibus Proxy to give voting authority and vote entitlements to the bank with Alpha CUID ABC (Receiving Intermediary).* • *A dealer holds a registered position on the issuer's share register via a nominee and wishes to consolidate that position as one fungible position with its CDS participant position to allow proxy votes to be submitted through Broadridge. The nominee (Providing Intermediary) should ~~use a Supplemental Omnibus Proxy~~provide clear written authorization to the tabulator to give voting authority and entitlements to the dealer with the CDS participant position (Receiving Intermediary). The nominee (Providing Intermediary) should also provide clear written direction to the tabulator that the management form of proxy (and any associated proxy votes submitted on that form) for that nominee is void. Tabulators and intermediaries are encouraged to agree on standardized documentation to ensure that all information is consistently provided to the tabulator. Form 54-101F4* Omnibus Proxy (Proximate Intermediaries) *could be used for this purpose.* 4. If a Receiving Intermediary receives vote entitlements from more than one Providing Intermediary, each Providing Intermediary should generate a Supplemental Omnibus Proxy. This is necessary to enable the tabulator to properly set up a vote entitlement account for the Receiving

Document and Information	Responsible Entity	Protocols
		Intermediary that contains a complete set of vote entitlements. *Example: XYZ Dealer's vote entitlements are derived from the CDS participant position of XYZ Bank as well as the DTC participant position of EFG Trustco. Each of XYZ Bank and EFG Trustco are Providing Intermediaries and should generate Supplemental Omnibus Proxies for XYZ Dealer (Receiving Intermediary) in order for the tabulator to set up a vote entitlement account for XYZ Dealer that contains both sets of vote entitlements.* 5. A Supplemental Omnibus Proxy is not necessary if the tabulator has other information or identifiers that it can use to properly match a Receiving Intermediary's proxy votes to a vote entitlement account. In particular, the Alpha CUID could be used as such an identifier in the following circumstances: a. an intermediary's vote entitlement is entirely derived from and part of a fungible CDS participant position; b. the Alpha CUID is only included in the intermediary's Formal Vote Report in the above situation and otherwise left blank; c. the Formal Vote Report for that intermediary contains the Alpha CUID associated with the fungible CDS participant position in (a) above or the intermediary's name in the Formal Vote Report is an exact match with the name of the CDS or DTC participant name on the CDS or DTC Omnibus Proxy. *Example: ABC Bank (Providing Intermediary) has a business line called ABC Wealth (Receiving Intermediary). ABC Wealth's vote entitlements are entirely derived from and part of ABC Bank's fungible CDS participant position, which is associated with ABC Bank's Alpha CUID ABC. ABC Bank would not need to generate a Supplemental Omnibus Proxy for ABC Wealth so long as the Formal Vote Report for ABC Wealth contains the Alpha CUID ABC, enabling the tabulator to link ABC Wealth's proxy votes to ABC Bank's fungible CDS participant position.* 6. If a tabulator receives one or more Supplemental Omnibus Proxies in respect of a Receiving Intermediary, the tabulator can rely solely on the information contained in the Supplemental Omnibus Proxy or Proxies to establish the vote entitlements for the Receiving Intermediary. However, a tabulator should make reasonable efforts to adjust a Receiving Intermediary's vote entitlements in light of any additional information it receives. 7. Currently, Supplemental Omnibus Proxies are generally transmitted in paper form. Tabulators, intermediaries and Broadridge are strongly encouraged to collectively develop efficient electronic transmission methods for Supplemental Omnibus Proxies that incorporate appropriate intermediary identifiers and sequencing and trailer records to confirm transmission is complete. 8. Pending development and adoption of appropriate electronic transmission methods, Supplemental Omnibus Proxies should be sent by fax or scanned email, and not by paper mail. **Where Intermediary Uses Broadridge as Proxy Voting Agent** 9. Intermediaries that are Broadridge clients should provide Broadridge with all necessary information to generate any necessary Supplemental Omnibus Proxies and ensure that Broadridge as their proxy voting agent provides adequate support for the Supplemental Omnibus Proxy process. Intermediaries and Broadridge should understand the

Document and Information	Responsible Entity	Protocols
		downstream impact on tabulation of the vote entitlement information that Broadridge provides to tabulators. Intermediaries that do not utilize Broadridge's services to generate Supplemental Omnibus Proxies are expected to follow the processes set out under the heading "Where Intermediary Does Not Use Broadridge" below. 10. Broadridge should assist their clients to properly set up accounts to generate Supplemental Omnibus Proxies. In particular: a. Broadridge should review the following annually with their clients: i. whether the correct entity name, Alpha CUID and DTC Participant Number are associated with each Broadridge Client Number; ii. that the list of omnibus accounts (i.e. accounts of Receiving Intermediaries that have been coded for Broadridge to generate Supplemental Omnibus Proxies on behalf of the Providing Intermediaries) is correct and complete, and b. if there is a change in a client's business that could impact the client's vote entitlements for proxy voting purposes, Broadridge should work with the client to review the effect on vote entitlements and make any necessary adjustments. **Where Intermediary Does Not Use Broadridge** 11. The intermediary should create a Supplemental Omnibus Proxy in paper or other form and take reasonable steps to confirm that it is in a format that will be acceptable to the tabulator. 12. The intermediary should deliver the Supplemental Omnibus Proxy directly to the tabulator. 13. The intermediary may request the tabulator to confirm receipt and if so should provide accurate contact information. If a request is made, the tabulator should confirm receipt within a reasonable period (e.g. 2 business days of receiving the request).
4. NOBO OMNIBUS PROXY • Issuer Name • CUSIP • Record Date • Meeting Date **Intermediary Providing Entitlement** • Alpha CUID if applicable • DTC Participant Number if applicable • Broadridge Client Number if applicable	Intermediaries Broadridge Issuer	1. These protocols apply where an issuer has chosen to solicit voting instructions directly from NOBOs using a service provider other than Broadridge. 2. An intermediary will prepare a NOBO Omnibus Proxy and attach a NOBO list as required by NI 54-101. 3. An intermediary is expected to take appropriate steps to ensure that the NOBO list is accurate, and in particular, does not contain OBO information or registered holder information. The inclusion of this type of information increases the risk of double voting and over-voting. **Where Intermediary Uses Broadridge or Other Entity as Proxy Voting Agent** 4. Each intermediary is expected to work with ~~Broadridge~~their proxy voting agent to properly code accounts and correct any errors to avoid incorrect information being included in the NOBO list. 5. A tabulator that becomes aware of errors in the NOBO list should notify ~~Broadridge~~the relevant proxy voting agent and the relevant intermediary. Intermediaries and ~~Broadridge~~their proxy voting agent should provide up-to-date contact information to tabulators and respond to inquiries on a timely basis (e.g. 1 business day).

Document and Information	Responsible Entity	Protocols
		6. The intermediary and ~~Broadridge~~proxy voting agent should rectify the problems causing those errors both for that individual meeting as well as for any other meetings going forward if applicable. 7. An intermediary that receives a request from a NOBO client to assist it to vote its shares should direct the NOBO client to the issuer's transfer agent as the intermediary no longer has the authority to submit proxy votes in respect of those shares. If a NOBO client wishes the intermediary to submit proxy votes on its behalf, the intermediary would need to obtain voting authority and vote entitlements in respect of that NOBO client. The intermediary could do so in one of the following two ways: a. the intermediary revokes the prior NOBO omnibus proxy ~~through a restricted proxy, but only in respect of that specific NOBO client position~~; b. the issuer's management generates a Supplemental Omnibus Proxy giving voting authority and vote entitlements to the intermediary~~, but only in respect of that specific NOBO client position~~. In each case, the intermediary would submit proxy votes through a restricted proxy or other valid method of voting, but only in respect of that specific NOBO client position.

B. Setting up Vote Entitlement Accounts (Official Vote Entitlements) in a Consistent Manner

Entitlement Documents	Responsible Entity	Protocols
1. CDS OMNIBUS PROXY AND DTC OMNIBUS PROXY	Tabulator	1. The tabulator should set up a vote entitlement account for each intermediary that is identified as having a CDS participant position through a CDS Omnibus Proxy or a DTC participant position through a DTC Omnibus Proxy, along with the relevant Alpha CUID or DTC Participant Number, as applicable. 2. However, where an intermediary with the same name is identified on both a CDS Omnibus Proxy and DTC Omnibus Proxy, only one vote entitlement account should be created for that intermediary. In the alternative, the account entitlements should be cross-referenced with the intermediary name, the Alpha CUID, and the DTC Participant Number. 3. Intermediaries and Broadridge should consider how to deal with the situation where an intermediary has different CDS and DTC participant names, even though the positions are fungible from a voting perspective. There should be a Supplemental Omnibus Proxy from the CDS participant (Providing Intermediary) giving voting authority and vote entitlements to the DTC participant (Receiving Intermediary) or vice versa.
2. SUPPLE-MENTAL OMNIBUS PROXY	Tabulator	1. If the Receiving Intermediary's name is an exact match for the name on the CDS and/or DTC Omnibus Proxies, the Receiving Intermediary's vote entitlements should be added to the vote entitlement account for the relevant CDS participant position. 2. If there is no name match, the tabulator should set up a separate vote entitlement account for the Receiving Intermediary identified in a Supplemental Omnibus Proxy, denoted by the Receiving Intermediary's name and Broadridge Client Number (if applicable). The tabulator should subtract the Receiving Intermediary's vote entitlements from the Providing Intermediary's vote entitlement account. The tabulator should link the Providing Intermediary on a Supplemental Omnibus Proxy to a

Entitlement Documents	Responsible Entity	Protocols
		vote entitlement account if any of the following applies in the following order: a. same Alpha CUID or DTC Participant Number; b. same Broadridge Client Number as the Receiving Intermediary on a Supplemental Omnibus Proxy; c. exact name match. 3. Intermediaries and Broadridge should consider changing the Supplemental Omnibus Proxy to include the Alpha CUID/DTC Participant Number for a Receiving Intermediary where the Receiving Intermediary's vote entitlements are fungible with the CDS/DTC participant position associated with that Alpha CUID/DTC Participant Number. This change would reduce the number of vote entitlement accounts that need to be set up by the tabulator.
3. NOBO OMNIBUS PROXY	Tabulator	1. The tabulator should set up vote entitlement accounts for each NOBO identified on the NOBO list it receives, in order to permit NOBO voting instructions to be properly recorded and tracked. 2. The tabulator should subtract the aggregate number of NOBO vote entitlements allocated by a Providing Intermediary from the Providing Intermediary's vote entitlement account. The tabulator should link the Providing Intermediary on a NOBO Omnibus Proxy to a vote entitlement account if any of the following applies, in the following order: a. same Alpha CUID; b. same Broadridge Client Number as the ~~Receiving~~Providing Intermediary on a Supplemental Omnibus Proxy; c. exact name match.

C. Sending Accurate and Complete Proxy Vote Information and Tabulating and Recording Proxy Votes in a Consistent Manner

Document and Information	Responsible Entity	Protocols
1. BROADRIDGE CLIENT PROXY AND FORMAL VOTE REPORT (FORMAL VOTE REPORT) • Date and Time • Page number • CUSIP Voting Total • CUSIP • Record Date • Meeting Date • Signature • Number of Votes (For, Against, Abstain) broken down by Intermediary Name • Intermediary	Intermediaries Broadridge Tabulator	**Generation and Sending** 1. Broadridge generates and sends the Formal Vote Report on behalf of each intermediary client. 2. The same Alpha CUID and/or DTC Participant Number may be associated with more than one Broadridge Client Number on the Formal Vote Report. 3. Each Broadridge Client Number should have only one Alpha CUID and/or DTC Participant Number associated with it on the Formal Vote Report. 4. Broadridge should assist their clients to properly set up accounts for purposes of generating Formal Vote Reports. In particular Broadridge should review annually with their clients the information included in a Formal Vote Report (client name, Alpha CUID and DTC Participant Number). Intermediaries and Broadridge should understand the downstream impact on tabulation of information in the Formal Vote Report that Broadridge provides to tabulators. **Tabulation** 5. The tabulator should match an intermediary's proxy votes in a Formal Vote Report to a vote entitlement account using the vote entitlement

Document and Information	Responsible Entity	Protocols
will also be identified by - Broadridge Client Number - Alpha CUID if applicable - DTC Participant Number if applicable **Supplemental Vote** • Total voted to date by intermediary **Appointee** • Includes Broadridge Client Number, DTC Participant Number and Alpha CUID as applicable **Director's Exception Report** • Broadridge Client Number if applicable		information available to it. As noted above, intermediaries a. are expected to implement appropriate processes to ensure that the meeting tabulator has complete and accurate vote entitlement information for each intermediary that solicits voting instructions and submits proxy votes, and b. should understand the downstream impact on tabulation of the vote entitlement information that Broadridge provides to tabulators. 6. If it appears to the tabulator that an intermediary that submits proxy votes is in an over-vote position caused by missing or incomplete vote entitlement information, the tabulator should make reasonable efforts to obtain that information before the meeting occurs. Examples of such efforts would include the following: a. using an association table provided by Broadridge that sets out the various identifiers for intermediaries to match proxy votes to vote entitlement accounts, provided that the association table is up-to-date, publicly available, and electronically searchable; b. contacting the intermediaries or Broadridge to notify them of the problem and request additional information. Intermediaries and Broadridge should provide up-to-date contact information to tabulators and respond to inquiries on a timely basis (e.g. within 1 business day). Tabulators and CDS should also provide intermediaries and Broadridge with up-to-date contact information to assist in resolving issues. 7. If an intermediary is contacted by a tabulator regarding an over-vote position, the intermediary is expected to take reasonable steps to address the problem and verify with the tabulator that the problem has been rectified before the meeting occurs. Where the tabulator contacts Broadridge, Broadridge should notify the intermediary or itself take reasonable steps to rectify the problem before the meeting occurs, if it is in a position to do so. For example, if a tabulator did not receive a Supplemental Omnibus Proxy that Broadridge sent on behalf of an intermediary, Broadridge should re-send the document. Some beneficial owner clients may wish to know if their intermediary or Broadridge (as applicable) is unable to obtain verification from the tabulator that the situation has been resolved, such that the proxy votes submitted by the intermediary could potentially be pro-rated or rejected. If this is the case, intermediaries should establish appropriate notification methods for those clients, working with Broadridge and their clients as needed. 8. ~~7.~~ The tabulator should subtract from an individual director's tally the total number of votes withheld on the Director's Exception Report. The tabulator can rely on the Broadridge Client Number on the Director's Exception Report to match to the corresponding vote on the Formal Vote Report.
2. RESTRICTED AND OTHER PROXIES • Intermediary Name • Number of shares to which proxy is restricted • Alpha CUID if applicable	Beneficial owner Intermediaries Broadridge Issuer Tabulator	1. An intermediary that generates a restricted proxy or other form of proxy should deliver it directly to the tabulator if it has been completed, or to the relevant beneficial owner for completion and submission to the tabulator. 2. The intermediary or other person submitting the proxy may request that the tabulator confirm ~~receipt~~that it has received the proxy and should provide accurate information about where the confirmation is to be sent. 3. The tabulator should provide confirmation within a reasonable period (e.g. 2 business days) if such a request is received.

Document and Information	Responsible Entity	Protocols
• DTC Participant Number if applicable • Certification that the intermediary has taken all necessary steps to revoke any previous proxy votes in respect of that position and to block future voting of the restricted position through Broadridge or a NOBO VIF • Signature		4. An intermediary should not issue a restricted proxy to a. an OBO client, or b. ~~4. An intermediary should not issue a restricted proxy to a NOBO client when~~where the issuer has retained Broadridge to solicit voting instructions directly from NOBO clients ~~unless the intermediary has blocked the NOBO's client account from being voted through Broadridge.~~, a NOBO client unless the intermediary has blocked the relevant client account from being voted through Broadridge. 5. An intermediary should not issue a restricted proxy to a NOBO client when the issuer has retained a service provider other than Broadridge to solicit voting instructions directly from NOBO clients unless the intermediary has confirmed that it has obtained the necessary voting authority and vote entitlements in respect of that NOBO client. 6. The tabulator should match an intermediary's proxy votes in a restricted proxy to a vote entitlement account using the vote entitlement information available to it. If it appears to the tabulator that the intermediary is in an over-vote position caused by missing or incomplete vote entitlement information, the tabulator should make reasonable efforts to contact the intermediary to obtain that information. 7. The restricted proxy should contain accurate and up-to-date contact information for the intermediary. 8. Upon receiving a request from the intermediary or other person submitting the proxy, and subject to receipt of accurate information about where the information is to be sent, the issuer should instruct the tabulator to notify the intermediary or other person if the vote was rejected or uncounted, based on the Final Scrutineer's Report, within a reasonable period. A reasonable period would be the later of a. 2 business days of the Final Scrutineer's Report being completed, and b. 2 business days of the ~~request being made~~issuer instruction to the tabulator. If the issuer does not provide this instruction, the tabulator should notify the requestor.
3. REPORT OF VOTES RECEIVED FROM BROADRIDGE	Tabulator Intermediary Broadridge	1. Tabulators, intermediaries and Broadridge should develop appropriate mechanisms to support confirmation that all votes submitted by Broadridge on behalf of intermediary clients have been received by the tabulator. Parties should take reasonable steps to rectify any situation where the tabulator has not received such votes. One example of an appropriate mechanism is for the tabulator to provide Broadridge with confirmation of the total number of votes received at proxy cut-off or 48 hours before the meeting, whichever is earlier, to enable Broadridge to detect if any votes were sent but not received. Upon receipt of this information, Broadridge should determine if the number of votes received by the tabulator does not match their records and notify the tabulator of proxy votes that were sent by Broadridge and should have been received by proxy cut-off. A tabulator should also make reasonable efforts to notify Broadridge if it identifies discrepancies in the number of votes received prior to proxy cut-off/48 hours before the meeting. Another example of an appropriate mechanism is for Broadridge to incorporate features such as sequencing and trailer records into Formal Vote Reports that would permit real-time confirmation that transmission

Document and Information	Responsible Entity	Protocols
		is complete.
4. FINAL SCRUTINEER'S REPORT	Tabulator	1. The tabulator should prepare a Final Scrutineer's Report for the issuer that includes the following information: a. the number of votes received and not included in the final tally; b. any missing CDS or DTC Omnibus Proxy; for each intermediary that submitted proxy votes, a breakdown of i. the number of votes not included in the final tally by intermediary and the reason why (e.g. no valid vote entitlement, proxy was deficient), and ii. the number of any over-votes and any resulting % pro-ration~~;~~, and c. the number of For/Against/Abstain proxy votes included or excluded as a result of a chair's ruling, broken down by intermediary and by specific motion.

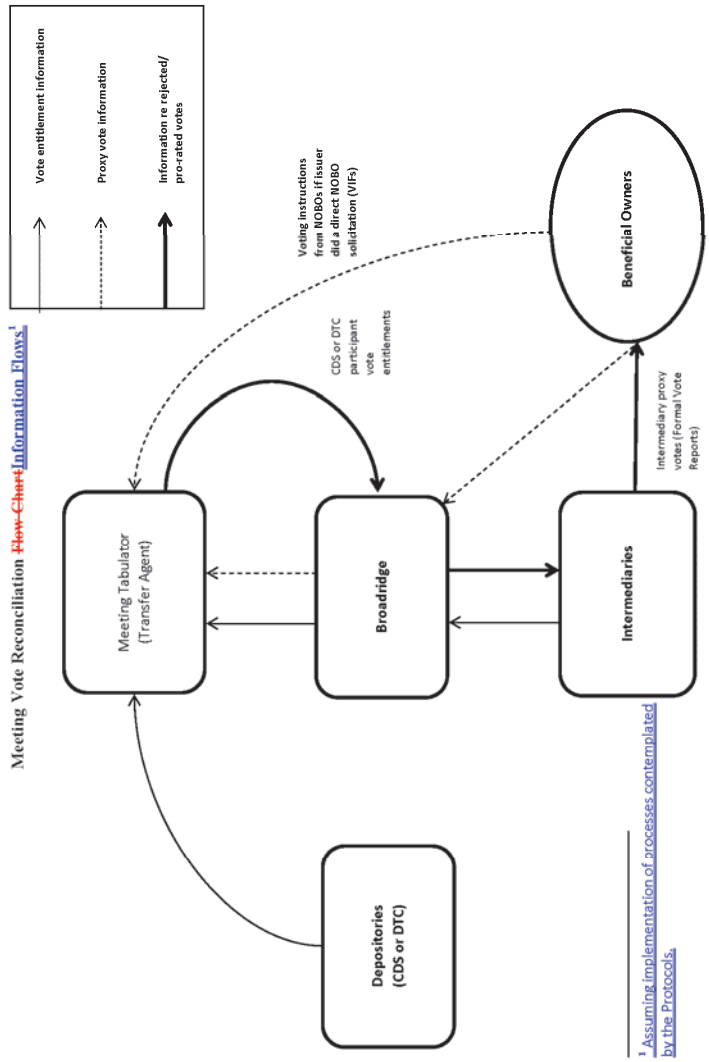
D. Informing Beneficial Owners of Rejected/Pro-rated Votes

Document and Information	Responsible Entity	Protocols
1. REJECTED/ PRO-RATED VOTES RECEIVED FROM BROADRIDGE • Issuer Name • CUSIP • Number of proxy votes rejected/unco unted and pro-rated broken down by intermediary and reason (no/insufficient entitlement, ruling of chair). • Confirmation if late proxies were accepted.	Issuer Tabulator Intermediaries Broadridge	1. Rejection or pro-ration of proxy votes should be a rare occurrence if intermediaries provide accurate and complete vote entitlement information and tabulators make reasonable efforts to obtain any missing vote entitlement information. However, if in the final tabulation, the tabulator or meeting chair rejects or pro-rates an intermediary's proxy votes submitted on a Formal Vote Report, including because vote entitlements could not be located despite the tabulator's reasonable efforts, the issuer should instruct the tabulator to notify Broadridge within a reasonable period ~~(e.g. 2 business days)~~ of completing final tabulation. At this time, a reasonable period would be 10 business days. Communication could take place by the issuer instructing the tabulator to send Broadridge the following information: a. a list of the votes that were not included in the final tally by intermediary (including any votes from registered shareholders); b. the number of any over-votes and resulting % pro-ration; c. any attempts by the tabulator to contact the relevant intermediary before the meeting to resolve the over-vote. Tabulators and Broadridge are encouraged to develop appropriate electronic communication methods ~~for~~to streamline the transmission of this information and reduce the period of time. 2. Broadridge should provide this information to the relevant intermediary clients within a reasonable period of time (e.g. 1 business day of receiving the information). 3. Intermediaries should make this information available to their beneficial owner clients within a reasonable period of time (e.g. 2 business days) of the tabulator providing the relevant information to Broadridge. Intermediaries should discuss with their beneficial owner clients the appropriate method of providing this information. 1. Intermediaries, with the assistance of Broadridge, are expected to put appropriate processes in place to rectify any problems as soon as reasonably practicable with the vote entitlement information so that the issue does not arise going forward. 2. Tabulators, intermediaries and Broadridge are also encouraged to work together to develop end-to-end vote confirmation capability to enable

Document and Information	Responsible Entity	Protocols
		investors that wish to do so to confirm whether their proxy votes have been accepted, including in “real time” where appropriate.

APPENDIX A

Meeting Vote Reconciliation ~~Flow Chart~~Information Flows[1]



[1] Assuming implementation of processes contemplated by the Protocols.

APPENDIX B
Glossary[12]

Term	Meaning
Alpha CUID	A three-letter company code that is used by CDS to identify a CDS participant in the CDS Omnibus Proxy.
Beneficial owner	An investor who is not a registered holder of shares, and whose ownership is through a securities entitlement in an intermediary account.
Broadridge	Refers to Broadridge Investor Communication Solutions Canada, a subsidiary of Broadridge Financial Solutions, Inc. It is a service provider that assists intermediaries in various aspects of proxy voting, including solicitation of voting instructions from beneficial owners and submitting proxy votes on behalf of intermediaries to tabulators.
Broadridge Client Number	A numeric identifier assigned by Broadridge to its intermediary clients.
Cede & Co.	The nominee for DTC that is registered as the holder of shares on an issuer's register. See DTC.
Cede & Co. Omnibus Proxy	See DTC Omnibus Proxy.
CDS	Refers to the Canadian Depository for Securities Limited or its subsidiary CDS Clearing and Depository Services Inc. as the context requires. Canadian Depository for Securities Limited is registered as the holder of most shares on an issuer's register. CDS Clearing and Depository Services Inc. is the national securities depository in Canada. See also depository.
CDS Omnibus Proxy	The omnibus proxy CDS uses to allocate vote entitlements/give voting authority to client intermediaries that are CDS participants.
Clearing dealer	An intermediary that is principal for clearing and settling a trade on behalf of another intermediary. See intermediary.
Client account vote reconciliation	The process by which intermediaries reconcile and allocate vote entitlements to individual client accounts. Client account vote reconciliation involves the internal back-office systems of intermediaries and how they track and allocate vote entitlements for individual client accounts.See vote reconciliation.
CUSIP	Stands for Committee on Uniform Securities Identification Procedures. A nine digit identifier assigned to securities of issuers in the U.S. and Canada. The CUSIP system is owned by the American Bankers Association and operated by Standard & Poor's to facilitate the clearing and settlement process of securities.
Custodian	A financial institution that holds securities for another person or entity. Custodians in Canada also administer securities lending programs and act as agents for lenders which are typically large institutional investors. See intermediary.
Depository	An entity that performs a clearing and settlement function for publicly traded securities.
Depository (CDS or DTC) participant	A person or company for whom a depository maintains an account in which entries may be made to effect a transfer or pledge of a security.
Depository (CDS or DTC) participant position	The total number of vote entitlements allocated to a CDS or DTC participant in the CDS or DTC Omnibus Proxy.

[12] This Glossary contains explanations for the key terms used in the Protocols. These explanations are not legal definitions for purposes of securities legislation.

Term	Meaning
DTC	Stands for Depository Trust Company, a subsidiary of Depository Trust and Clearing Corporation. It is the national securities depository in the United States and holds securities through its nominee Cede & Co. See depository.
DTC Participant Number	A four-digit company code that is used by DTC to identify a DTC participant in the DTC Omnibus Proxy. Also known as DTC number.
DTC Omnibus Proxy	The omnibus proxy DTC uses to allocate vote entitlements/give voting authority to client intermediaries that are DTC participants. Also known as Cede & Co. Omnibus Proxy.
Director's Exception Report	A report identifying shares that are withheld for a specific director.
Double voting	Occurs where more than one entity is allowed or not prevented from voting the same share, or where the same entity votes its shares twice.
Final Scrutineer's Report	A report provided by the meeting tabulator to the issuer regarding the final voting results after the tabulation has been completed.
Form of proxy	A document by which a security holder or other person with authority to vote appoints a person or company as the security holder's nominee to attend and act for on the security holder's behalf at a meeting of security holders.
Formal Vote Report	A form of proxy generated by Broadridge that reflects the voting instructions received from beneficial owners, aggregated by intermediary.
Fungible CDS participant position	When used in relation to an intermediary's CDS participant position, refers to a position that does not contain any segregated client accounts within it.
Intermediary	A person or company that, in connection with its business, holds security on behalf of another person or company (e.g. a custodian or investment dealer).
Investment dealer	A person or company registered under securities law to trade securities for its own account or on behalf of its clients. See also intermediary.
Issuer	A person or company who has outstanding securities, issues or proposes to issue, a security.
Meeting vote reconciliation	Consists of the processes used to tabulate proxy votes for shares held through intermediaries. Meeting vote reconciliation involves systems and processes that link depositories, intermediaries and meeting tabulators with one another in order for the following three things to occur: 1. Depositories and intermediaries provide vote entitlement information to meeting tabulators through omnibus proxies, 2. Meeting tabulators establish vote entitlement accounts for intermediaries, and 3. Meeting tabulators reconcile intermediary proxy votes to the vote entitlement accounts. See vote reconciliation.
NOBO	Stands for non-objecting beneficial owner. A beneficial owner of shares in the intermediated holding system who does not object to disclosure of his name, contact information and securities holdings.
NOBO list	For purposes of a direct NOBO solicitation by an issuer, a document generated by an intermediary or an intermediary service provider (in practice, Broadridge) that contains information regarding NOBOs.
NOBO Omnibus Proxy	For purposes of a direct NOBO solicitation by an issuer, an omnibus proxy an intermediary uses to allocate vote entitlements to management of an issuer to give management authority to vote the number of shares that are in the intermediary's NOBO client accounts. See omnibus proxy.
Nominee	A person or company whose name is given as holding securities but is not the actual owner.
OBO	Stands for objecting beneficial owner. A beneficial owner of shares in the intermediated holding system who objects to the intermediary disclosing his name, contact information and securities holdings.

Term	Meaning
Official Vote Entitlement	See vote entitlement account.
Omnibus account	Accounts of Receiving Intermediaries that have been coded for Broadridge to generate Supplemental Omnibus Proxies on behalf of the Providing Intermediaries.
Omnibus proxy	A proxy used by the depository or intermediary who is the registered holder or who itself holds a proxy to give its clients authority to vote the number of shares in the client's account as at the record date. Includes the CDS Omnibus Proxies, DTC Omnibus Proxies, Supplemental Omnibus Proxies and NOBO Omnibus Proxies.
Over-voting	Occurs where an intermediary submits proxy votes and the meeting tabulator cannot establish that the intermediary has any vote entitlements, or the number of proxy votes submitted by an intermediary exceeds the number of shares in the vote entitlement account that the meeting tabulator has calculated for that intermediary based on omnibus proxies.
Providing Intermediary	An intermediary that allocates vote entitlements/gives voting authority to another intermediary (Receiving Intermediary) using a Supplemental Omnibus Proxy. See also intermediary and Supplemental Omnibus Proxy.
Proxy cut-off	The cut-off time for the delivery of proxy votes.
Proxy solicitor	A service provider that assists with the solicitation of proxies by identifying and contacting investors and encouraging them to vote their shares in favour of the party soliciting the proxies.
Proxy vote	An executed form of proxy submitted to the meeting tabulator that contains voting instructions from registered holders or beneficial owners. See formal vote report.
Receiving Intermediary	An intermediary that receives vote entitlements/voting authority from another intermediary (Providing Intermediary) through a Supplemental Omnibus Proxy. See also intermediary and Supplemental Omnibus Proxy.
Record date	For a meeting, the date, if any, established in accordance with corporate law for the determination of the registered holders of securities that are entitled to vote at the meeting.
Registered holder	The person or company shown as the holder of the security on the books and records of the issuer.
Registered position	The number of securities held by a registered holder as shown on the books and records of the issuer.
Report of voting results	A report that is required to be filed under securities law by non-venture issuers to disclose voting results.
Restricted proxy	A form of proxy used by an intermediary to directly submit proxy votes to the meeting tabulator on behalf of a client for whom it holds shares. See form of proxy.
Scrutineer's Report	A report provided by the meeting tabulator to the company regarding the voting results.
Share register	The books and records of the issuer showing the number of securities held by security holders.
Supplemental Omnibus Proxy	An omnibus proxy intermediaries use to allocate vote entitlements/give voting authority to client intermediaries. Also known as intermediary omnibus proxy or mini omnibus proxy. See also omnibus proxy.
Tabulator	The entity designated by an issuer to review the proxy votes it receives and assess whether these are valid votes that should be counted for the meeting. In Canada, the transfer agent of the issuer usually acts as the meeting tabulator.
Transfer agent	A trust company appointed by a corporation to transfer ownership of its shares. In the majority of instances, the trust company in its capacity as transfer agent maintains the shareholder register and provides other related services. Transfer agents in Canada generally belong to the Securities Transfer Association of Canada.

Term	Meaning
Vote entitlement	The number of shares in respect of which a security holder or other person with authority to vote has voting authority for a meeting.
Vote entitlement account	Also known as the Official Vote Entitlement. The vote entitlements of an intermediary as determined by the meeting tabulator based on the depository omnibus proxies (CDS Omnibus Proxy and DTC omnibus proxy) and Supplemental Omnibus Proxies received. Where an issuer chooses to do a NOBO solicitation, intermediaries (in practice, through their service provider Broadridge) will also send the meeting tabulator a NOBO Omnibus Proxy that the tabulator will use to establish the vote entitlement accounts for NOBOs. See also vote entitlement.
Vote reconciliation	The process by which proxy votes from registered holders and voting instructions from beneficial owners are reconciled against the securities entitlements in the intermediated holding system. CSA Staff Notice 54-303 *Progress Report on Review of the Proxy Voting Infrastructure* identified two distinct aspects of vote reconciliation: client account vote reconciliation and meeting vote reconciliation.
Voting Instruction Form (VIF)	A document by which beneficial owners provide voting instructions to intermediaries. Where the issuer chooses to conduct a NOBO solicitation, a document by which NOBOs provide voting instruction to management of the issuer.

1.1.2 Notice of Arrangements Regarding the Access, Collection, Storage and Use of Derivatives Data

NOTICE OF ARRANGEMENTS REGARDING
THE ACCESS, COLLECTION, STORAGE AND USE OF DERIVATIVES DATA

The Ontario Securities Commission recently entered into an arrangement with each of Financial and Consumer Services Commission (New Brunswick), Financial and Consumer Affairs Authority of Saskatchewan and Nova Scotia Securities Commission (each a "Partner Jurisdiction") setting out an understanding between the OSC and each Partner Jurisdiction that the OSC will act as an agent for the purposes of accessing, collecting, storing, analyzing and reporting on derivatives data, as collected by relevant trade repositories (together the "Derivatives Data Arrangements").

The Derivatives Data Arrangements are subject to the approval of the Minister of Finance. The Derivative Data Arrangements were delivered to the Minister of Finance on January 25, 2017.

Questions may be referred to:

Jean-Paul Bureaud
Director
Office of Domestic and International Affairs
Tel: 416-593-8131
E-mail: jbureaud@osc.gov.on.ca

ARRANGEMENT REGARDING THE
ACCESS, COLLECTION, STORAGE AND USE OF DERIVATIVES DATA

This Arrangement is made as of the 23 day of December 2016 (the "Effective Date").

BETWEEN:

Financial and Consumer Services Commission (New Brunswick) ("Partner Jurisdiction")

– and –

Ontario Securities Commission ("OSC")

PURPOSE

The purpose of this Arrangement is to set out the understanding between the Partner Jurisdiction and the OSC with respect to

- the OSC's role in acting as agent for the Partner Jurisdiction for the purposes of accessing, collecting, storing, analysing and reporting on data reported to a recognized trade repository pursuant to Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* ("MI 96-101"), and
- the OSC's use of such data.

DEFINITIONS

For the purposes of this Arrangement:

1(1) "Partner Jurisdiction data" means data related to a local counterparty of the Partner Jurisdiction that is held at a recognized trade repository and is reportable pursuant to Part 3 of MI 96-101, and includes any documents, analysis and reports generated by the OSC for the Partner Jurisdiction exclusively using that data.

1(2) "OSC data" means data related to an Ontario local counterparty that is held at a recognized trade repository that is reportable pursuant to Part 3 of OSC 91-507, and includes any documents, analysis and reports generated by the OSC exclusively using that data and/or using that data commingled with Partner Jurisdiction data as permitted under section 5 of this Arrangement.

APPOINTMENT OF AGENT

2(1) The Partner Jurisdiction appoints the OSC to act as agent of the Partner Jurisdiction for the purpose of accessing, collecting, storing, analysing and reporting on Partner Jurisdiction data.

2(2) The Partner Jurisdiction and OSC will act in compliance with applicable laws in respect of matters under this Arrangement.

SCOPE OF ACTIVITIES UNDERTAKEN ON BEHALF OF THE PARTNER JURISDICTION

3(1) The OSC agrees to access and collect Partner Jurisdiction data from a recognized trade repository and to store the data on behalf of the Partner Jurisdiction.

3(2) The OSC agrees to provide the Partner Jurisdiction with regular market, participant and product reports on the Partner Jurisdiction data, the frequency, content and format of which will be mutually agreed upon from time to time by both parties.

3(3) In the event the Partner Jurisdiction or the OSC wants to make changes to the activities undertaken by the OSC on its behalf, the changes will be discussed and mutually agreed upon in writing by the parties.

3(4) The OSC will not charge fees for the activities undertaken under this Arrangement. In the event that the Partner Jurisdiction requests special or non-standard reports, the customized treatment of data or increased data capabilities, the OSC will determine the incremental costs of undertaking such activities and the parties will agree to a reasonable fee.

INTELLECTUAL PROPERTY

4(1) The Partner Jurisdiction owns and retains all right, title and interest (including intellectual property rights) in and to the Partner Jurisdiction data.

4(2) The OSC owns and retains all right, title and interest (including intellectual property rights) in and to OSC data.

4(3) The OSC may access and use Partner Jurisdiction data to undertake the activities on behalf of the Partner Jurisdiction and as otherwise permitted under Section 5. The OSC will own any data models and the format of any reports it generates for the Partner Jurisdiction under this Arrangement, but not the content.

OSC USE OF PARTNER JURISDICTION DATA AND OSC DATA

5(1) The Partner Jurisdiction agrees that the OSC may access, collect, store, perform quality analysis, commingle and use Partner Jurisdiction data in connection with the fulfillment of its regulatory mandate, including but not limited to market and product analysis, policy development, and systemic risk assessment.

5(2) The Partner Jurisdiction agrees that the OSC may also use and disclose the Partner Jurisdiction data collected hereunder for enforcement purposes where appropriate. In these circumstances, the OSC will provide a minimum of three (3) business days' notice to the Partner Jurisdiction prior to the commencement of any administrative proceedings under the Ontario *Securities Act* or the *Commodity Futures Act*, quasi-criminal proceedings or criminal proceedings.

5(3) For greater certainty, no restrictions apply and no reasonable notice is required to be given to the Partner Jurisdiction in respect of the OSC's use of OSC data.

CONFIDENTIALITY AND FREEDOM OF INFORMATION REQUESTS

6(1) Except as may be required or permitted by law, or as contemplated by subsections 5(1) and 5(2), or otherwise with the consent of the Partner Jurisdiction, and subject to what is already public information, the OSC agrees to keep Partner Jurisdiction Data in confidence, including for greater certainty individual transaction data or data that identifies individual counterparties or transactions, both during the period of this Arrangement and at any time after.

6(2) Subject to section 5 and subsection 6(1), the OSC agrees not to disclose Partner Jurisdiction data to any third party without the prior written consent of the Partner Jurisdiction, both during the period of this Arrangement and at any time after.

6(3) The Partner Jurisdiction acknowledges that freedom of information legislation in Ontario applies to and governs all records in the custody or under the control of the OSC. In the event that the OSC receives an information request that relates to Partner Jurisdiction data or enforcement files related to Partner Jurisdiction data, the OSC will notify the Partner Jurisdiction and will not disclose any information related to the request unless required to do so by law.

DATA SECURITY

7(1) The OSC agrees to hold and transmit Partner Jurisdiction data in a secure manner and in accordance with its own standards, policies and procedures.

7(2) The OSC agrees to restrict access to Partner Jurisdiction data to OSC personnel who require access to such data for the purpose of undertaking the activities on behalf of the Partner Jurisdiction in accordance with this Arrangement, or for another regulatory or enforcement purpose permitted under this Arrangement.

7(3) The OSC will advise the Partner Jurisdiction as soon as reasonably possible in the event there is a data security breach related to Partner Jurisdiction data.

TERMINATION

8(1) Any party may terminate its participation in this Arrangement upon giving ninety (90) business days' notice in writing to the other parties.

8(2) Upon termination of this Arrangement, the OSC must transfer and deliver to the Partner Jurisdiction all Partner Jurisdiction data.

8(3) Following termination of this Arrangement and upon the Partner Jurisdiction's written request, the OSC must destroy all Partner Jurisdiction data in its possession or under its control. For greater certainty, the OSC will retain OSC data in accordance with its own records retention requirements.

NOTICE

9(1) Any notice under this Arrangement must be in writing and be delivered personally to the party to whom it is given or sent by courier, by prepaid registered mail, or by electronic mail, addressed as follows:

To the FCNB:

Financial and Consumer Services Commission
85 Charlotte Street, Suite 300
Saint John, N.B. E2L 2J2
Attention: Kevin Hoyt, Executive Director, Securities
Tel: (506) 643-7691
E-mail: kevin.hoyt@fcnb.ca

To the OSC:

Ontario Securities Commission
20 Queen Street East, 22nd Floor
Toronto, O.N. M5H 3S8
Attention: Kevin Fine, Director of Derivatives
Tel: (416) 593-8109
E-mail: Kfine@osc.gov.on.ca

EFFECTIVE DATE

10(1) Cooperation in accordance with this Arrangement will begin on the date shown on the first page of the Arrangement.

Financial and Consumer Services Commission	Ontario Securities Commission
Per: *"Rick Hancox"*	*"Maureen Jensen"*
Rick Hancox, Chief Executive Officer	Maureen Jensen, Chair
Date: 20 Dec 2016	**Date:** Jan 9/17

ARRANGEMENT REGARDING THE
ACCESS, COLLECTION, STORAGE AND USE OF DERIVATIVES DATA

This Arrangement is made as of the 23 day of December 2016 (the "Effective Date").

BETWEEN:

Financial and Consumer Affairs Authority of Saskatchewan ("Partner Jurisdiction")

– and –

Ontario Securities Commission ("OSC")

PURPOSE

The purpose of this Arrangement is to set out the understanding between the Partner Jurisdiction and the OSC with respect to

- the OSC's role in acting as agent for the Partner Jurisdiction for the purposes of accessing, collecting, storing, analysing and reporting on data reported to a recognized trade repository pursuant to Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* ("MI 96-101"), and
- the OSC's use of such data.

DEFINITIONS

For the purposes of this Arrangement:

1(1) "Partner Jurisdiction data" means data related to a local counterparty of the Partner Jurisdiction that is held at a recognized trade repository and is reportable pursuant to Part 3 of MI 96-101, and includes any documents, analysis and reports generated by the OSC for the Partner Jurisdiction exclusively using that data.

1(2) "OSC data" means data related to an Ontario local counterparty that is held at a recognized trade repository that is reportable pursuant to Part 3 of OSC 91-507, and includes any documents, analysis and reports generated by the OSC exclusively using that data and/or using that data commingled with Partner Jurisdiction data as permitted under section 5 of this Arrangement.

APPOINTMENT OF AGENT

2(1) The Partner Jurisdiction appoints the OSC to act as agent of the Partner Jurisdiction for the purpose of accessing, collecting, storing, analysing and reporting on Partner Jurisdiction data.

2(2) The Partner Jurisdiction and OSC will act in compliance with applicable laws in respect of matters under this Arrangement.

SCOPE OF ACTIVITIES UNDERTAKEN ON BEHALF OF THE PARTNER JURISDICTION

3(1) The OSC agrees to access and collect Partner Jurisdiction data from a recognized trade repository and to store the data on behalf of the Partner Jurisdiction.

3(2) The OSC agrees to provide the Partner Jurisdiction with regular market, participant and product reports on the Partner Jurisdiction data, the frequency, content and format of which will be mutually agreed upon from time to time by both parties.

3(3) In the event the Partner Jurisdiction or the OSC wants to make changes to the activities undertaken by the OSC on its behalf, the changes will be discussed and mutually agreed upon in writing by the parties.

3(4) The OSC will not charge fees for the activities undertaken under this Arrangement. In the event that the Partner Jurisdiction requests special or non-standard reports, the customized treatment of data or increased data capabilities, the OSC will determine the incremental costs of undertaking such activities and the parties will agree to a reasonable fee.

INTELLECTUAL PROPERTY

4(1) The Partner Jurisdiction owns and retains all right, title and interest (including intellectual property rights) in and to the Partner Jurisdiction data.

4(2) The OSC owns and retains all right, title and interest (including intellectual property rights) in and to OSC data.

4(3) The OSC may access and use Partner Jurisdiction data to undertake the activities on behalf of the Partner Jurisdiction and as otherwise permitted under Section 5. The OSC will own any data models and the format of any reports it generates for the Partner Jurisdiction under this Arrangement, but not the content.

OSC USE OF PARTNER JURISDICTION DATA AND OSC DATA

5(1) The Partner Jurisdiction agrees that the OSC may access, collect, store, perform quality analysis, commingle and use Partner Jurisdiction data in connection with the fulfillment of its regulatory mandate, including but not limited to market and product analysis, policy development, and systemic risk assessment.

5(2) The Partner Jurisdiction agrees that the OSC may also use and disclose the Partner Jurisdiction data collected hereunder for enforcement purposes where appropriate. In these circumstances, the OSC will provide a minimum of three (3) business days' notice to the Partner Jurisdiction prior to the commencement of any administrative proceedings under the Ontario *Securities Act* or the *Commodity Futures Act*, quasi-criminal proceedings or criminal proceedings.

5(3) For greater certainty, no restrictions apply and no reasonable notice is required to be given to the Partner Jurisdiction in respect of the OSC's use of OSC data.

CONFIDENTIALITY AND FREEDOM OF INFORMATION REQUESTS

6(1) Except as may be required or permitted by law, or as contemplated by subsections 5(1) and 5(2), or otherwise with the consent of the Partner Jurisdiction, and subject to what is already public information, the OSC agrees to keep Partner Jurisdiction Data in confidence, including for greater certainty individual transaction data or data that identifies individual counterparties or transactions, both during the period of this Arrangement and at any time after.

6(2) Subject to section 5 and subsection 6(1), the OSC agrees not to disclose Partner Jurisdiction data to any third party without the prior written consent of the Partner Jurisdiction, both during the period of this Arrangement and at any time after.

6(3) The Partner Jurisdiction acknowledges that freedom of information legislation in Ontario applies to and governs all records in the custody or under the control of the OSC. In the event that the OSC receives an information request that relates to Partner Jurisdiction data or enforcement files related to Partner Jurisdiction data, the OSC will notify the Partner Jurisdiction and will not disclose any information related to the request unless required to do so by law.

DATA SECURITY

7(1) The OSC agrees to hold and transmit Partner Jurisdiction data in a secure manner and in accordance with its own standards, policies and procedures.

7(2) The OSC agrees to restrict access to Partner Jurisdiction data to OSC personnel who require access to such data for the purpose of undertaking the activities on behalf of the Partner Jurisdiction in accordance with this Arrangement, or for another regulatory or enforcement purpose permitted under this Arrangement.

7(3) The OSC will advise the Partner Jurisdiction as soon as reasonably possible in the event there is a data security breach related to Partner Jurisdiction data.

TERMINATION

8(1) Any party may terminate its participation in this Arrangement upon giving ninety (90) business days' notice in writing to the other parties.

8(2) Upon termination of this Arrangement, the OSC must transfer and deliver to the Partner Jurisdiction all Partner Jurisdiction data.

8(3) Following termination of this Arrangement and upon the Partner Jurisdiction's written request, the OSC must destroy all Partner Jurisdiction data in its possession or under its control. For greater certainty, the OSC will retain OSC data in accordance with its own records retention requirements.

NOTICE

9(1) Any notice under this Arrangement must be in writing and be delivered personally to the party to whom it is given or sent by courier, by prepaid registered mail, or by electronic mail, addressed as follows:

To the FCAA

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601-1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Dean Murrison, Director, Securities Division
Tel: (306) 787-5645
E-mail: Dean.Murrison@gov.sk.ca

To the OSC:

Ontario Securities Commission
20 Queen Street East, 22nd Floor
Toronto, O.N. M5H 3S8
Attention: Kevin Fine, Director of Derivatives
Tel: 416-593-8109
E-mail: Kfine@osc.gov.on.ca

EFFECTIVE DATE

10(1) Cooperation in accordance with this Arrangement will begin on the date shown on the first page of the Arrangement.

Financial and Consumer Affairs Authority of Saskatchewan	Ontario Securities Commission
Per: *"Roger Sobotkiewicz"*	*"Maureen Jensen"*
Roger Sobotkiewicz, Chair	Maureen Jensen, Chair
Date: Dec. 22, 2016	**Date:** Jan 9/17

ARRANGEMENT REGARDING THE
ACCESS, COLLECTION, STORAGE AND USE OF DERIVATIVES DATA

This Arrangement is made as of the 23rd day of December, 2016 (the "Effective Date").

BETWEEN:

Nova Scotia Securities Commission ("Partner Jurisdiction")

– and –

Ontario Securities Commission ("OSC")

PURPOSE

The purpose of this Arrangement is to set out the understanding between the Partner Jurisdiction and the OSC with respect to

- the OSC's role in acting as agent for the Partner Jurisdiction for the purposes of accessing, collecting, storing, analysing and reporting on data reported to a recognized trade repository pursuant to Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting* ("MI 96-101"), and
- the OSC's use of such data.

DEFINITIONS

For the purposes of this Arrangement:

1(1) "Partner Jurisdiction data" means data related to a local counterparty of the Partner Jurisdiction that is held at a recognized trade repository and is reportable pursuant to Part 3 of MI 96-101, and includes any documents, analysis and reports generated by the OSC for the Partner Jurisdiction exclusively using that data.

1(2) "OSC data" means data related to an Ontario local counterparty that is held at a recognized trade repository that is reportable pursuant to Part 3 of OSC 91-507, and includes any documents, analysis and reports generated by the OSC exclusively using that data and/or using that data commingled with Partner Jurisdiction data as permitted under section 5 of this Arrangement.

APPOINTMENT OF AGENT

2(1) The Partner Jurisdiction appoints the OSC to act as agent of the Partner Jurisdiction for the purpose of accessing, collecting, storing, analysing and reporting on Partner Jurisdiction data.

2(2) The Partner Jurisdiction and OSC will act in compliance with applicable laws in respect of matters under this Arrangement.

SCOPE OF ACTIVITIES UNDERTAKEN ON BEHALF OF THE PARTNER JURISDICTION

3(1) The OSC agrees to access and collect Partner Jurisdiction data from a recognized trade repository and to store the data on behalf of the Partner Jurisdiction.

3(2) The OSC agrees to provide the Partner Jurisdiction with regular market, participant and product reports on the Partner Jurisdiction data, the frequency, content and format of which will be mutually agreed upon from time to time by both parties.

3(3) In the event the Partner Jurisdiction or the OSC wants to make changes to the activities undertaken by the OSC on its behalf, the changes will be discussed and mutually agreed upon in writing by the parties.

3(4) The OSC will not charge fees for the activities undertaken under this Arrangement. In the event that the Partner Jurisdiction requests special or non-standard reports, the customized treatment of data or increased data capabilities, the OSC will determine the incremental costs of undertaking such activities and the parties will agree to a reasonable fee.

INTELLECTUAL PROPERTY

4(1) The Partner Jurisdiction owns and retains all right, title and interest (including intellectual property rights) in and to the Partner Jurisdiction data.

4(2) The OSC owns and retains all right, title and interest (including intellectual property rights) in and to OSC data.

4(3) The OSC may access and use Partner Jurisdiction data to undertake the activities on behalf of the Partner Jurisdiction and as otherwise permitted under Section 5. The OSC will own any data models and the format of any reports it generates for the Partner Jurisdiction under this Arrangement, but not the content.

OSC USE OF PARTNER JURISDICTION DATA AND OSC DATA

5(1) The Partner Jurisdiction agrees that the OSC may access, collect, store, perform quality analysis, commingle and use Partner Jurisdiction data in connection with the fulfillment of its regulatory mandate, including but not limited to market and product analysis, policy development, and systemic risk assessment.

5(2) The Partner Jurisdiction agrees that the OSC may also use and disclose the Partner Jurisdiction data collected hereunder for enforcement purposes where appropriate. In these circumstances, the OSC will provide a minimum of three (3) business days' notice to the Partner Jurisdiction prior to the commencement of any administrative proceedings under the Ontario *Securities Act* or the *Commodity Futures Act*, quasi-criminal proceedings or criminal proceedings.

5(3) For greater certainty, no restrictions apply and no reasonable notice is required to be given to the Partner Jurisdiction in respect of the OSC's use of OSC data.

CONFIDENTIALITY AND FREEDOM OF INFORMATION REQUESTS

6(1) Except as may be required or permitted by law, or as contemplated by subsections 5(1) and 5(2), or otherwise with the consent of the Partner Jurisdiction, and subject to what is already public information, the OSC agrees to keep Partner Jurisdiction Data in confidence, including for greater certainty individual transaction data or data that identifies individual counterparties or transactions, both during the period of this Arrangement and at any time after.

6(2) Subject to section 5 and subsection 6(1), the OSC agrees not to disclose Partner Jurisdiction data to any third party without the prior written consent of the Partner Jurisdiction, both during the period of this Arrangement and at any time after.

6(3) The Partner Jurisdiction acknowledges that freedom of information legislation in Ontario applies to and governs all records in the custody or under the control of the OSC. In the event that the OSC receives an information request that relates to Partner Jurisdiction data or enforcement files related to Partner Jurisdiction data, the OSC will notify the Partner Jurisdiction and will not disclose any information related to the request unless required to do so by law.

DATA SECURITY

7(1) The OSC agrees to hold and transmit Partner Jurisdiction data in a secure manner and in accordance with its own standards, policies and procedures.

7(2) The OSC agrees to restrict access to Partner Jurisdiction data to OSC personnel who require access to such data for the purpose of undertaking the activities on behalf of the Partner Jurisdiction in accordance with this Arrangement, or for another regulatory or enforcement purpose permitted under this Arrangement.

7(3) The OSC will advise the Partner Jurisdiction as soon as reasonably possible in the event there is a data security breach related to Partner Jurisdiction data.

TERMINATION

8(1) Any party may terminate its participation in this Arrangement upon giving ninety (90) business days' notice in writing to the other parties.

8(2) Upon termination of this Arrangement, the OSC must transfer and deliver to the Partner Jurisdiction all Partner Jurisdiction data.

8(3) Following termination of this Arrangement and upon the Partner Jurisdiction's written request, the OSC must destroy all Partner Jurisdiction data in its possession or under its control. For greater certainty, the OSC will retain OSC data in accordance with its own records retention requirements.

NOTICE

9(1) Any notice under this Arrangement must be in writing and be delivered personally to the party to whom it is given or sent by courier, by prepaid registered mail, or by electronic mail, addressed as follows:

To the Nova Scotia Securities Commission:

Nova Scotia Securities Commission
Suite 400, Duke Tower
5251 Duke Street
Halifax, N.S. B3J 2P8
Attention: H. Jane Anderson, Director, Policy and Market Regulation
Tel: 902-424-2336
E-mail: jane.anderson@novascotia.ca

To the OSC:

Ontario Securities Commission
20 Queen Street East, 22nd Floor
Toronto, O.N. M5H 3S8
Attention: Kevin Fine, Director of Derivatives
Tel: 416-593-8109
E-mail: Kfine@osc.gov.on.ca

EFFECTIVE DATE

10(1) Cooperation in accordance with this Arrangement will begin on the date shown on the first page of the Arrangement.

Nova Scotia Securities Commission	Ontario Securities Commission
Per: *"Paul E. Radford"*	*"Maureen Jensen"*
Paul E. Radford, Q.C., Chair	Maureen Jensen, Chair
Date: Dec. 22/16	**Date:** Jan 9/17

1.5 Notices from the Office of the Secretary

1.5.1 Michael Patrick Lathigee et al.

FOR IMMEDIATE RELEASE
January 18, 2017

IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5

AND

IN THE MATTER OF
MICHAEL PATRICK LATHIGEE,
EARLE DOUGLAS PASQUILL,
IC REAL ESTATE PROJECTS LTD.,
FIC FORECLOSURE FUND LTD. and
WBIC CANADA LTD.

TORONTO – The Commission issued an Order in the above named matter which provides that:

1. Staff's application to continue this proceeding by way of a written hearing is granted;

2. Staff's materials shall be served and filed no later than January 23, 2017;

3. The Respondents' responding materials, if any, shall be served and filed no later than March 13, 2017; and

4. Staff's reply materials, if any, shall be served and filed no later than March 27, 2017.

A copy of the Order dated January 12, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.2 Lance Kotton and Titan Equity Group Ltd.

FOR IMMEDIATE RELEASE
January 20, 2017

IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5

AND

IN THE MATTER OF
LANCE KOTTON and
TITAN EQUITY GROUP LTD.

TORONTO – The Commission issued an Order in the above named matter which provides that Staff's request for a further extension of the Temporary Order will be heard at the offices of the Commission located at 20 Queen Street West, Toronto, Ontario, on February 6, 2017 at 10:00 a.m. or as soon thereafter as the hearing can be held.

A copy of the Order dated January 20, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.3 AAOption et al.

FOR IMMEDIATE RELEASE
January 23, 2017

IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5

AND

IN THE MATTER OF
AAOPTION,
GALAXY INTERNATIONAL SOLUTIONS LTD.
and DAVID ESHEL

TORONTO – The Commission issued an Order in the above named matter which provides that:

1. Staff's application to continue this proceeding by way of a written hearing is granted;

2. Staff's materials shall be served and filed no later than January 30, 2017;

3. The Respondents' responding materials, if any, shall be served and filed no later than February 27, 2017; and

4. Staff's reply materials, if any, shall be served and file no later than March 13, 2017.

A copy of the Order dated January 20, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.4 Danish Akhtar Soleja et al.

FOR IMMEDIATE RELEASE
January 24, 2017

IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5

AND

IN THE MATTER OF
DANISH AKHTAR SOLEJA,
DANSOL INTERNATIONAL INC.,
GRAPHITE FINANCE INC.,
PARKVIEW LIMITED PARTNERSHIP, and
1476634 ALBERTA LTD.

TORONTO – The Commission issued an Order in the above named matter which provides that:

(a) Staff's application to continue this proceeding by way of a written hearing is granted;

(b) Staff's materials shall be served and filed no later than February 2, 2017;

(c) the Respondents' responding materials, if any, shall be served and filed no later than March 2, 2017; and

(d) Staff's reply materials, if applicable, shall be served and filed no later than March 16, 2017.

A copy of the Order dated January 23, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 National Bank Investments Inc.

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations ("NI 31-103") – revocation and replacement of previous relief – revocation of relief from the requirements contained in sections 11.2 and 11.3 of NI 31-103 to designated an individual to be the ultimate designated person ("UDP") and an individual to be the chief compliance officer ("CCO") so that the Filer could designate two individuals as UDP and two individuals as CCO, one for each distinct operational division of the Filer – replacement with relief from the requirement contained in section 11.2 of NI 31-103 to designate an individual to be the UDP, and instead be permitted to designate and register two individuals as UDPs in respect of the two distinct operational divisions of the Filer – relief subject to a sunset clause.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 11.2, 15.1.

January 13, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
NATIONAL BANK INVESTMENTS INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer, for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for:

1. revocation of the decision dated May 31, 2011 *In the Matter of National Bank Securities Inc.* (the **Previous Relief**), which granted the Filer exemptive relief from the requirement contained in section 11.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) to designate an individual to be the ultimate designated person (**UDP**) and from the requirement contained in section 11.3 of NI 31-103 to designate an individual to be the chief compliance officer (**CCO**) and instead permitted the Filer to designate and register two individuals as UDP and two individuals as CCO in respect of the two distinct operational divisions of the Filer (the **Requested Revocation**); and

2. relief, pursuant to section 15.1 of NI 31-103, from the UDP Requirement (as defined below) to permit the Filer to designate and register two individuals as UDP in respect of its two distinct operational divisions (the **Exemption Sought**, and together with the Requested Revocation, the **Requested Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the Autorité des marchés financiers is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the provinces and territories of Canada other than Québec and Ontario; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer, formerly known as National Bank Securities Inc., is a corporation resulting from a merger performed under the *Canada Business Corporations Act*.

2. The Filer's head office is located in Montréal, Québec.

3. The Filer is registered as:

   (a) a mutual fund dealer under the securities legislation of each of the jurisdictions of Canada; and

   (b) an investment fund manager in the provinces of Québec, Ontario and Newfoundland and Labrador.

4. The Filer is not in default of any requirements of securities legislation in any jurisdiction of Canada.

Operational structure

5. The Filer's operational structure has always been organized in two distinct divisions (the **Divisions**), which are based on the nature of its operations:

   (a) the product development and manufacturing division (the **Investment Fund Manager Division**) is responsible for all activities of the Filer related to the creation and management of mutual funds, including all activities related to its independent review committee, the preparation of all outbound documents of the Filer, and the distribution of the Filer's products through dealers other than the Filer.

   (b) the internal dealer distribution division (the **Mutual Fund Dealer Division**) is responsible for all product distribution activities of the Filer within its own dealer network, i.e., all activities of the Filer related to its registered dealing representatives, the implementation of a distribution network with a compliance supervision model for its 453 branches and the implementation of procedures pertaining to the validation of the suitability of transactions.

   The Investment Fund Manager Division and the Mutual Fund Dealer Division each have separate and distinct senior management structures. Although they are part of the same corporate entity, each Division is functionally a stand-alone operation within the Filer's business. The Filer therefore seeks to ensure that its operational structure remains aligned with its business model while effectively meeting the policy objectives of NI 31-103.

Recent changes

6. Structural and organizational changes were recently brought to the compliance functions of National Bank of Canada (**NBC**), the parent entity of the Filer.

7. Since these changes were implemented, many initiatives were taken to bring together into one unit all of the securities compliance expertise and to structure the unit so that it can support all the securities compliance activities of all of NBC's subsidiaries. To that end, in March 2016, the Filer decided to join together its distribution and manufacturing activities into one large division and to entrust the division's compliance supervision to one CCO, who would oversee all of the Filer's activities.

8. The two positions of Senior Adviser, Compliance, which previously reported to the CCO of the Mutual Fund Dealer Division, now report to the person who will be the Filer's sole CCO and a new Senior Adviser, Compliance position was recently created to support the distribution activities.

9. The Filer now has only one compliance team, which is part of the NBC Corporate Compliance function and is composed of the Investment Fund Manager Division compliance staff and the Mutual Fund Dealer Division compliance staff, all reporting to the same manager. In total, five dedicated staff members are responsible for the Filer's compliance supervision.

10. Moreover, the CCO will benefit from all of the expertise of the NBC Corporate Compliance team, including more than one hundred employees with different specializations such as conduct of business, regulatory watch, inspections, anti-money laundering, proceeds of crime, strategy and governance.

11. The Filer's CCO will also have access to the NBC Wealth Management legal team for the settlement of client complaints and the processing of internal investigations.

12. Accordingly, the Previous Relief, which remains in force today, will no longer be aligned with the business model of the Filer, who wants the Previous Relief to be revoked and replaced with the Exemption Sought so that it will be permitted solely to designate and register two individuals as UDP in respect of its two Divisions.

The UDPs

13. There is currently a UDP appointed and registered for each of the Divisions. The current UDPs are the most senior executive member of each Division (the **Division Heads**). If the Exemption Sought is granted, the Filer will keep its two current UDPs in their respective positions.

14. Despite the fact that only the UDP of the Investment Fund Manager Division holds the title of Chief Executive Officer (**CEO**) of the Filer, both UDPs have equivalent roles to that of a CEO in respect of their Division. There is no line of reporting between the Division Heads and they each report independently to different members of the senior management team of NBC and have direct access to the Filer's Board of Directors.

15. No other executive officer of the Filer has authority to overrule a decision of either of the UDPs or control either of the UDP's access to the Board of Directors of the Filer.

Reasons for the Exemption Sought

16. Pursuant to section 11.2 of NI 31-103, a registered firm must designate an individual who is registered under securities legislation in the category of UDP and the UDP must be: (i) the CEO or an individual acting in such capacity; (ii) the sole proprietor of the registered firm; or (iii) the officer in charge of a division of the registered firm, if the activity that requires the firm to register occurs only in the division (the **UDP Requirement**).

17. Granting the Exemption Sought would be consistent with the policy objectives that the UDP Requirement is intended to achieve, because:

    (a) each Division is an independent operation that is distinct from the other and is conducted on a very large scale; and

    (b) the current Division Heads are effectively the most senior executive member of their respective operation line.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted as follows:

1. the Requested Revocation is granted; and

2. the Exemption Sought is granted provided that:

   (a) each Division shall have its own UDP, who shall be its Division Head;

   (b) only one individual shall be the UDP of each Division;

   (c) each UDP shall fulfill the responsibilities set out in section 5.1 of NI 31-103, and any successor provision thereto, in respect of the Division for which he/she is designated UDP; and

   (d) the decision in respect of the Exemption Sought will cease to be valid three years after the date hereof.

"Eric Stevenson"
Superintendent, Client Services and Distribution Oversight

2.1.2 Hampton Securities Limited et al.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – under paragraphs 4.1(1)(a) and 4.1(1)(b) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual acts as an officer, partner or director of another registered firm that is not an affiliate of the first-mentioned firm or if the individual is registered as a dealing, advising or associate advising representative of another registered firm – firms are not affiliated entities – first registered firm acquiring second registered firm's client accounts – second registered firm intends to surrender registration – the firms have valid business reasons for individual to be registered with both firms – individual has sufficient time to adequately serve both firms – since one firm is winding up, conflicts of interest are unlikely to arise – the firms have policies in place to handle potential conflicts of interest – the firms are exempted from the prohibition for a limited period of time.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 15.1.

January 13, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
HAMPTON SECURITIES LIMITED, ("HSL"),
ALL GROUP FINANCIAL SERVICES ("AGFS"),
JAMES MOON ("Moon"), AND
MICHAEL COMEAU ("Comeau")

DECISION

Background

The principal regulator in the Jurisdiction (the **Decision Maker**) has received an application from HSL and AGFS (the **Filers**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption from the restrictions in paragraph 4.1(1)(a) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) to permit Moon to act as the Ultimate Designated Person (UDP), Chief Compliance Officer (**CCO**), an officer (**CFO**) and a director of AGFS; and to permit Comeau to act as a director of AGFS, while also acting as dealing representatives of HSL for a limited period of time following the acquisition of all of the client assets of AGFS by HSL (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission (**OSC**) is the principal regulator for this application; and

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by HSL in Alberta, British Columbia, Manitoba, Northwest Territories, Nova Scotia, Ontario and Quebec.

Interpretation

Terms defined in MI 11-102, NI 31-103 and National Instrument 14-101 *Definitions* have the same meaning in this decision unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filers:

AGFS

1. AGFS is registered in the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Ontario and Saskatchewan in the category of Investment Dealer.

2. The principal regulator of AGFS is the OSC.

3. AGFS has notified the OSC of its intention to surrender its registration in all jurisdictions other than Ontario.

4. AGFS has consented to terms and conditions providing that AGFS shall not:

   (a) accept any new clients or open any new client accounts; or,

   (b) trade in any security.

5. AGFS is in default of applicable securities legislation in the following respects:

- It does not currently have sufficient regulatory capital; and,
- It notified the OSC of a transaction involving the acquisition of 10% or more of the firm's securities after the transaction had already taken place, contrary to s. 11.9 of NI 31-103. The application for OSC approval of the transaction was subsequently withdrawn and therefore no approval was obtained, contrary to s. 11.9 of NI 31-103.

6. AGFS' registration is currently subject to business restriction terms and conditions imposed by the OSC due to compliance concerns at AGFS.

7. The OSC is aware of an on-going IIROC Enforcement matter involving AGFS, Moon and Comeau. This matter has been disclosed to HSL.

HSL

8. HSL is registered in the provinces of Alberta, British Columbia, Manitoba, Northwest Territories, Nova Scotia and Ontario in the category of Investment Dealer, and in the province of Québec in the categories of Investment Dealer and Derivatives Dealer.

9. The principal regulator of HSL is the OSC.

10. HSL is not in default of any requirement of securities legislation in any jurisdiction of Canada.

The Transaction

11. The Filers are each independently owned and are not affiliates of one another.

12. The application for the Exemption Sought is made in relation to the transfer of AGFS's client accounts to HSL (the **Transaction**). In connection with the Transaction, Moon and Comeau will seek registration as dealing representatives of HSL under the securities legislation of each of Alberta, British Columbia, Manitoba, Northwest Territories, Nova Scotia, Ontario and Quebec.

13. AGFS will transfer all of its client accounts to HSL on or about January 20, 2017 via bulk transfer. Following the bulk transfer, AGFS will submit an application for voluntary surrender of its registration in jurisdictions other than Ontario, to the OSC, its principal regulator. AGFS will remain registered in Ontario for the purpose of winding up the business, until such time as its registration is terminated by the OSC.

Dual Registration

14. Moon is a director and officer of AGFS and is registered as the UDP, the CCO, a dealing representative and permitted individual of AGFS. Comeau is a director and officer of AGFS and is registered as a dealing representative with AGFS. AGFS' current CFO has provided notice of her intention to resign from her position with AGFS at the end of January, 2017. Upon her resignation, Mr. Moon will become the CFO of AGFS.

15. Following the completion of the bulk transfer, HSL will make a filing via the National Registration Database to add HSL as an additional sponsoring firm of Moon and Comeau.

16. The Exemption Sought will permit Moon to act as the UDP, CCO and an officer (CFO) and a director of AGFS; and to permit Comeau to act as a director of AGFS, to facilitate the orderly wind-up of AGFS's registerable business and operations, including the voluntary surrender of AGFS's registration under applicable securities legislation; and to permit Moon and Comeau to act as dealing representatives of HSL to provide services in relation to former clients of AGFS (who will become clients of HSL) that are similar to the services they performed on behalf of AGFS. Moon and Comeau will surrender their registrations as dealing representatives with AGFS prior to being registered as dealing representatives with HSL.

17. Following the completion of the bulk transfer, Moon, as AGFS' UDP, CCO and an officer and a director and Comeau, as AGFS' director, will act in such capacity only to comply with regulatory requirements, including, as necessary, to surrender AGFS's registration under securities legislation, and bring about the wind-up or sale of AGFS.

18. Moon and Comeau will have sufficient time and resources to adequately meet their obligations to each of the Filers.

19. AGFS will ensure that Moon and Comeau adhere to the terms and conditions imposed on the registration of AGFS.

20. The Filers have in place policies and procedures to address any conflicts of interest that may arise as a result of the dual registration of Moon and Comeau. Following the transfer of its client accounts to HSL, the activities of AGFS will be administrative in nature and will not include registerable activities of any kind, which should result in there being few, if any, conflicts of interest.

21. HSL has compliance and supervisory policies and procedures in place to monitor the conduct of its representatives, including Moon and Comeau, and to ensure that HSL can deal appropriately with any conflicts of interest that may arise.

22. HSL will supervise the activities that Moon and Comeau will conduct on behalf of AGFS in the same way that it does other outside business activities of its registered individuals, including by holding meetings regularly with them and by obtaining regular status reports from them.

23. In the absence of the Exemption Sought, the Filers would be prohibited under paragraph 4.1(1)(a) of NI 31-103 from permitting Moon and Comeau to act as a director and/or officer of AGFS while also acting as dealing representatives of HSL.

Decision

The Decision Maker is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Maker under the Legislation is that the Exemption Sought is granted provided that (1) the circumstances described above remain in place, and (2) the Exemption Sought expires on the date on which AGFS' registration is terminated by the OSC.

"Elizabeth King"
Deputy Director
Compliance and Registrant Regulation
Ontario Securities Commission

2.1.3 Sun Life Assurance Company of Canada and Sun Life Capital Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – passport application – credit support issuer does not satisfy conditions of exemption in section 13.4 of NI 51-102 – credit support issuer has securities outstanding that are not designated credit support securities because credit supporter has not provided a full and unconditional guarantee – designated credit support securities cannot have a full and unconditional guarantee because of regulatory capital requirements – credit support issuer exempt from certain continuous disclosure, certification, insider reporting, prospectus qualification and prospectus disclosure requirements under the Legislation, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S-5, as amended, ss.107, 121(2)(a)(ii).
National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1, 13.4.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 8.6.
National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI), ss. 2.1, 6.1.
National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 10.1.
National Instrument 44-101 Short Form Prospectus Distributions, Part 2 and s. 8.1.
Form 44-101F1 Short Form Prospectus, Item 6 and s. 11.1.
National Instrument 44-102 Shelf Distributions, Part 2 and s. 11.1.

January 13, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
SUN LIFE ASSURANCE COMPANY OF CANADA ("SLA")
AND SUN LIFE CAPITAL TRUST
(the Trust and, together with SLA, the Filers)

DECISION

Background

The Filers received an order dated January 12, 2012 (the "**2012 Order**") of the securities regulatory authority or regulator of each province and territory of Canada exempting the Filers from the continuous disclosure and certification requirements of securities legislation as specified in the 2012 Order. The 2012 Order expires on January 15, 2017.

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") to replace the 2012 Order, provided that:

1. SLA be granted an exemption (a "**Continuous Disclosure Exemption**") from the Continuous Disclosure Requirements pursuant to section 13.1 of NI 51-102;

2. the Trust be granted a Continuous Disclosure Exemption from the Continuous Disclosure Requirements pursuant to section 13.1 of NI 51-102;

3. SLA be granted an exemption (a "**Certification Exemption**") from the Certification Requirements pursuant to section 8.6 of NI 52-109;

4. the Trust be granted a Certification Exemption from the Certification Requirements pursuant to section 8.6 of NI 52-109;

5. insiders of SLA be granted an exemption (the "**Insider Profile Exemption**") from the requirement to file an insider profile under section 2.1 of NI 55-102 pursuant to section 6.1 of NI 55-102;

6. insiders of SLA be granted an exemption (the "**Insider Reporting Exemption**") from the Insider Reporting Requirements in respect of securities of SLA pursuant to section 121(2)(a)(ii) of the Act and section 10.1 of NI 55-104;

7. SLA be granted an exemption (the "**Prospectus Qualification Exemption**") from the Prospectus Qualification Requirements in respect of a distribution of SLA Preferred Shares pursuant to section 8.1 of NI 44-101 and section 11.1 of NI 44-101; and

8. SLA be granted an exemption (the "**Prospectus Disclosure Exemption**") from the Prospectus Disclosure Requirements in respect of a distribution of SLA Preferred Shares pursuant to section 8.1 of NI 44-101 and section 11.1 of NI 44-102 (collectively, the "**Exemption Sought"**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* is intended to be relied upon in each of the provinces and territories other than Ontario.

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless they are defined in this decision. In this decision, the following terms have the following meanings:

"Accumulated Unpaid Indicated Yield" means, at any time, an amount, if any, per SLEECS Series B equal to the Indicated Yield payable by the Trust thereon in respect of all previous Regular Distribution Dates remaining unpaid by the Trust;

"Act" means the *Securities Act* (Ontario);

"Affiliate" has the meaning given to such term in NI 51-102;

"AIF" means an annual information form;

"Annual Certificates" has the meaning given to such term in NI 52-109;

"Annual Filings" means an issuer's AIF, annual financial statements and annual MD&A filed pursuant to NI 51-102;

"Automatic Exchange" means the automatic exchange of SLEECS – Series B for SLA Preferred Shares Series W upon the occurrence of certain events relating to the solvency of SLA or actions taken by the Superintendent in respect of the financial strength of SLA;

"Certification Requirements" means the requirements to file Annual Certificates under sections 4.1 and 6.1, as applicable, of NI 52-109 and Interim Certificates under sections 5.1 and 6.2, as applicable, of NI 52-109;

"Continuous Disclosure Filings" means:

(a) annual financial statements required by section 4.1 of NI 51-102;

(b) interim financial reports required by section 4.3 of NI 51-102;

(c) AIFs required by section 6.1 of NI 51-102;

(d) annual and interim MD&A required by section 5.1 of NI 51-102;

(e) press releases and material change reports required by section 7.1 of NI 51-102 in the case of material changes that are also material changes in the affairs of SLF; and

(f) material contracts required by section 12.2 of NI 51-102 in the case of material contracts that are also contracts of SLF;

"Continuous Disclosure Requirements" means the requirements contained in NI 51-102 to file and deliver, as applicable, the Continuous Disclosure Filings;

"Credit Facilities" means the unsecured, non-interest bearing credit facilities provided to the Trust by SLA or its Affiliates in connection with the offerings of the SLEECS;

"Credit Support Issuer" has the meaning given to such term in NI 51-102;

"Credit Support Issuer Exemptions" means the exemption from the Continuous Disclosure Requirements in section 13.4 of NI 51-102 and the exemption from the Certification Requirements in section 8.5 of NI 52-109;

"Current Indicated Yield" means, at any time, in respect of the current Distribution Period, an amount per SLEECS – Series B equal to the Indicated Yield pro-rated for the number of days elapsed from and including the first day of the Distribution Period to but excluding the date of redemption, provided that there has not been a Distribution Diversion Event with respect to such Distribution Period;

"Debt Guarantee" means the subordinated guarantee dated November 15, 2007 by SLF of SLA's payment obligations in respect of the SLA 6.30% Subordinated Debentures and the SLA 6.15% Subordinated Debentures, as amended and restated on January 12, 2012 and January 13, 2017;

"Deficiency Payment" means a payment calculated as follows:

(a) if at the date of determination a winding-up order has been made with respect to SLF, then the Deficiency Payment shall be the amount that, when paid to the holders of the SLA Preferred Shares outstanding as of the Triggering Event, will result in:

(i) the holders of SLA's Class A Shares, Class B Shares, Class C Shares and Class E Shares outstanding as of the Triggering Event receiving payment of the same proportion of the unpaid amounts on such shares as the holders of such shares would have received had their claim to such unpaid amounts on the final distribution of surplus of SLF, if any, pursuant to section 95(1) of the WURA ranked on a parity with the claims of the holders of SLF's Class A Shares; and

(ii) the holders of SLA's Class D Shares outstanding as of the Triggering Event receiving payment of the same proportion of the unpaid amounts on such shares as the holders of such shares would have received had their claim to such unpaid amounts on the final distribution of surplus of SLF, if any, pursuant to section 95(1) of the WURA ranked on a parity with the claims of the holders of SLF's Class B Shares; and

(b) in all circumstances other than those listed above, the Deficiency Payment shall be the amount equal to the aggregate unpaid amounts attributable to all classes of SLA Preferred Shares outstanding as of the Triggering Event;

"Designated Credit Support Securities" has the meaning given to such term in NI 51-102;

"Distribution Date" means the last day of June and December of each year that the Trust distributes its Net Distributable Funds;

"Distribution Diversion Event" means either (i) SLA fails to declare Dividends on the SLA Class B Non-Cumulative Preferred Shares Series A or (ii) if there are Public Preferred Shares outstanding, SLA fails to declare Dividends on any of the Public Preferred Shares in accordance with their respective terms, in either case, during the Dividend Reference Period;

"Distribution Period" means the periods commencing on and including June 25, 2002 to but excluding the next Distribution Date;

"Dividend Reference Period" means the three-month period immediately prior to the commencement of the Distribution Period ending on the day preceding the Distribution Date;

"Dividend Stopper Undertaking" means the covenant of SLA and SLF for the benefit of holders of SLEECS – Series B that, if the Trust fails on any Regular Distribution Date to pay the Indicated Yield on the SLEECS – Series B in full, SLA will not pay Dividends on the SLA Dividend Restricted Shares, being the Public Preferred Shares, or, if SLA Dividend Restricted Shares are

not outstanding, SLF will not pay Dividends on the SLF Dividend Restricted Shares, in each case, until the 12th month following the Trust's failure to pay the Indicated Yield in full on the SLEECS – Series B, unless the Trust first pays such Indicated Yield (or the unpaid portion thereof) to holders of SLEECS – Series B;

"Dividends" means cash dividends declared in the ordinary course by (i) SLA on the SLA Class B Preferred Shares Series A or on the Public Preferred Shares, if any such shares are outstanding, or (ii) SLF on the SLF Preferred Shares, if any such shares are outstanding, and on the SLF Common Shares;

"Early Redemption Price" means a price per SLEECS – Series B calculated to provide an annual yield thereon to June 30, 2032;

"Form 44-101F1" means Form 44-101F1 – *Short Form Prospectus Distributions* of NI 44-101;

"full and unconditional credit support" has the meaning given to such term in National Instrument 41-101 – *General Prospectus Requirements*;

"Holder Exchange Right" means the right of holders of SLEECS – Series B to exchange their SLEECS – Series B for SLA Preferred Shares Series X;

"ICA" means the *Insurance Companies Act* (Canada);

"Indicated Yield" means each fixed, semi-annual, non-cumulative cash distribution distributed to holders of a particular series of SLEECS;

"Insider Reporting Requirements" means the requirements for an insider of a reporting issuer to file:

(a) insider reports required by section 107 of the Act and sections 3.2 and 3.3 of NI 55-104 in respect of securities of the reporting issuer; and

(b) insider reports required under any provisions of securities legislation of any of the provinces or territories of Canada substantially similar to section 107 of the Act and sections 3.2 and 3.3 of NI 55-104 in respect of securities of the reporting issuer;

"Interim Certificates" has the meaning given to such term in NI 52-109;

"Interim Filings" means an issuer's interim financial reports and interim MD&A filed pursuant to NI 51-102;

"Jurisdictions" means each of the provinces and territories of Canada;

"Liquidation Preference" means any amount to which holders of a particular class or series of SLA Preferred Shares are entitled in priority to any amounts which may be payable in respect of any class of shares of SLA which rank junior to such class or series in the event of a distribution of assets upon the liquidation, dissolution or winding-up of SLA;

"MD&A" means management's discussion and analysis of the financial condition and results of operations;

"Net Distributable Funds" means, at any time, the amount by which the sum of (i) income and gains derived by the Trust and the Trust Assets, and (ii) amounts received by the Trust from SLA that are designated by SLA as such, in each case that have not previously been distributed to holders of SLEECS or the holder of the Special Trust Securities, exceeds expenses of the Trust and any required liability for expenses established by the Trust;

"New Debt Guarantee" has the meaning given to such term in paragraph 34;

"NI 44-101" means National Instrument 44-101 – *Short Form Prospectus Distributions*;

"NI 44-102" means National Instrument 44-102 – *Shelf Distributions*;

"NI 45-106" means National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"NI 51-102" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"NI 52-109" means National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*;

"NI 55-102" means National Instrument 55-102 – *System for Electronic Disclosure by Insiders (SEDI)*;

"NI 55-104" means National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*;

"Preferred Share Guarantee" means the subordinated preferred share guarantee dated November 15, 2007 by SLF of the amount of any declared and unpaid dividends on the SLA Preferred Shares, the Redemption Price of the SLA Preferred Shares, and the Liquidation Preference of the SLA Preferred Shares, as amended and restated on January 12, 2012 and January 13, 2017;

"Prospectus Disclosure Requirements" means the requirements contained in section 6 (Earnings Coverage Ratio) and section 11.1, other than section 11.1(1)(5), (Incorporation by Reference) of Form 44-101F1 that issuers must satisfy to distribute securities pursuant to a short form prospectus or a base shelf prospectus, as applicable;

"Prospectus Qualification Requirements" means the requirements contained in Part 2 of NI 44-101 and Part 2 of NI 44-102 that issuers must satisfy to distribute securities pursuant to a short form prospectus or a base shelf prospectus, as applicable;

"Public Preferred Shares" means, at any time, preferred shares of SLA which, at that time (i) have been issued to the public (excluding any preferred shares of SLA held beneficially by affiliates of SLA), (ii) are listed on a recognized stock exchange, and (iii) have an aggregate liquidation entitlement of at least $200 million;

"Redemption Price" means the amount payable by SLA following presentation and surrender of any SLA Preferred Shares which have been redeemed by SLA or which are then redeemable by the holder pursuant to the terms of such SLA Preferred Shares;

"Regular Distribution Date" means a Distribution Date except (i) if SLA fails to declare Dividends on the SLA Class B Non-Cumulative Preferred Shares Series A or (ii) if there are Public Preferred Shares outstanding, SLA fails to declare Dividends on any of the Public Preferred Shares in accordance with their respective terms, in either case, during the Dividend Reference Period;

"Resulting SLA Preferred Shares" has the meaning given to such term in paragraph 10;

"SEDAR" means the System for Electronic Document Analysis and Retrieval;

"Series B Share Exchange Agreement" means the share exchange agreement between the Trust, SLF, SLA and CIBC Mellon Trust Company, as exchange trustee, with respect to the SLEECS – Series B;

"SLA 6.15% Subordinated Debentures" means the $800,000,000 principal amount of 6.15% subordinated debentures of SLA due 2028;

"SLA 6.30% Subordinated Debentures" means the $150,000,000 principal amount of 6.30% subordinated debentures of SLA due 2028;

"SLA B Debenture" means the senior debenture issued by SLA to the Trust in respect of the SLEECS – Series B;

"SLA Dividend Restricted Shares" means the Public Preferred Shares;

"SLA Preferred Shares" means the Class A Shares, Class B Shares, Class C Shares, Class D Shares and Class E Shares of SLA outstanding from time to time, in each case of any series, whether or not such shares are outstanding as of the date hereof, other than shares issued to and held by SLF or its Affiliates;

"SLA Preferred Shares Series V" means the Class A Shares – Series V of SLA;

"SLA Preferred Shares Series W" means the Class A Shares – Series W of SLA;

"SLA Preferred Shares Series X" means the Class A Shares – Series X of SLA;

"SLA Subordinated Debentures" means any non-convertible debt securities issued by SLA and outstanding in the future (other than (i) debt securities issued to and held by SLF or its Affiliates, (ii) debt securities issued to the types of entities described in section 13.4(2)(c)(iii) of NI 51-102, and (iii) debt securities issued under exemptions from the prospectus requirement in section 2.35 of NI 45-106);

"SLEECS" means the Sun Life ExchangEable Capital Securities of the Trust;

"SLEECS Redemption Price" means $1,000 per SLEECS – Series B, together with any Unpaid Indicated Yield to the date of redemption;

"SLEECS – Series B Prospectus" means the final prospectus of the Trust dated June 18, 2002;

"SLF" means Sun Life Financial Inc.;

"SLF Common Shares" means common shares of SLF;

"SLF Dividend Restricted Shares" means, collectively the SLF Preferred Shares and SLF Common Shares;

"SLF Guarantees" means collectively, the Debt Guarantee, any New Debt Guarantee and the Preferred Share Guarantee;

"SLF Preferred Shares" means, collectively, the outstanding Class A Shares and Class B Shares of SLF from time to time;

"Special Trust Securities" means the Special Trust Securities of the Trust;

"Summary financial information" has the meaning given to such term in NI 51-102;

"Sun Life Debenture" means a senior debenture issued in respect of the SLEECS – Series B by SLA, together with other senior debentures of SLA held by the Trust from time to time;

"Superintendent" means the Superintendent of Financial Institutions (Canada);

"Triggering Event" means if SLA:

(a) fails to make full payment of any dividend declared on any SLA Preferred Shares on the date required for such payment;

(b) fails to make full payment of the Redemption Price when due; or

(c) becomes subject to a winding-up order (as defined in the WURA or any order of similar effect made under applicable laws for the winding-up, liquidation or dissolution of SLA);

"Trust Assets" means the Sun Life Debentures and any securities into which the Sun Life Debentures are converted, cash, amounts receivable from third parties and other eligible investments;

"Trust Securities" means the Special Trust Securities and the SLEECS;

"TSX" means the Toronto Stock Exchange;

"Unpaid Indicated Yield" means, at any time, the sum of the Accumulated Unpaid Indicated Yield and the Current Indicated Yield; and

"WURA" means the *Winding-up and Restructuring Act* (Canada).

Representations

This decision is based on the following facts represented by the Filers:

SLF

1. SLF was incorporated on August 5, 1999 under the ICA and became the sole shareholder of SLA in 2000 pursuant to SLA's demutualization. SLF is a reporting issuer or the equivalent in each province and territory of Canada that provides for a reporting issuer regime and is not, to the best of its knowledge, in default of any applicable requirement under the securities legislation of the Jurisdictions. SLF's head office is located in Ontario.

2. SLF's authorized capital consists of unlimited numbers of Class A Shares and Class B Shares, each issuable in series, and an unlimited number of Common Shares.

3. As of December 31, 2016, SLF had outstanding 613,580,091 Common Shares, 16,000,000 Class A Shares Series 1, 13,000,000 Class A Shares Series 2, 10,000,000 Class A Shares Series 3, 12,000,000 Class A Shares Series 4, 10,000,000 Class A Shares Series 5, 5,192,686 Class A Shares Series 8R, 6,007,314 Class A Shares Series 9QR, 6,919,928 Class A Shares Series 10R, 1,080,072 Class A Shares Series 11QR and 12,000,000 Class A Shares Series 12R. As of December 31, 2016, SLF also had outstanding two series of senior unsecured debentures in an aggregate

principal amount of $600,000,000 and seven series of subordinated unsecured debentures in an aggregate principal amount of $3,700,000,000.

4. SLF is qualified to use the short form prospectus system provided by NI 44-101.

SLA

5. SLA was formed by the amalgamation of its predecessor, Sun Life Assurance Company of Canada, and Clarica Life Insurance Company on December 31, 2002 and its governing statute is the ICA. SLA is a reporting issuer or the equivalent in each province and territory of Canada that provides for a reporting issuer regime and is not, to the best of its knowledge, in default of any applicable requirement under the securities legislation of the Jurisdictions. SLA's head office is located in Ontario.

6. SLA's authorized capital consists of unlimited numbers of Class A Shares, Class B Shares, Class C Shares, Class D Shares and Class E Shares, each issuable in series, and an unlimited number of common shares.

7. As of December 31, 2016, SLA had outstanding 427,179,546 common shares, 40,000 Class B Shares – Series A, 28,000,000 Class C Shares – Series 1, 14,000,000 Class C Shares – Series 2, 32,000,000 Class C Shares – Series 7, 91,668,691 Class C Shares – Series 10, 14,000,000 Class C Shares – Series 11 and 50,000,000 Class C Shares – Series 12, all of which are held by SLF. None of SLA's outstanding shares are SLA Dividend Restricted Shares or Public Preferred Shares.

8. SLA has created and authorized the issuance of up to 8,000,000 SLA Preferred Shares Series W and 8,000,000 SLA Preferred Shares Series X for issuance if the Holder Exchange Right is exercised or the Automatic Exchange is triggered. The terms of these shares each provide, among other things, that they are exchangeable at the option of the holder into Common Shares of SLF in certain circumstances and after certain dates.

9. As of December 31, 2016, SLA had outstanding (i) senior and subordinated debentures in the aggregate principal amount of $900,000,000 all held by affiliates of SLA, and (ii) one series of publicly-held subordinated debentures in the aggregate principal amount of $150,000,000 (the SLA 6.30% Subordinated Debentures).

10. SLA satisfies each of the alternative qualification criteria listed in sections 2.4 and 2.5 of NI 44-101, other than sections 2.4(1)(a), 2.5(a) and 2.4(1). SLA will not satisfy the requirements under sections 2.4(1)(a) and 2.5(a) because the Preferred Share Guarantee is not a full and unconditional guarantee (as discussed below). In addition, SLA will not satisfy the requirements under section 2.4(1) for distributions of rate reset SLA Preferred Shares because rate reset SLA Preferred Shares will be convertible into another series of SLA Preferred Shares (the "**Resulting SLA Preferred Shares**").

The Trust

11. The Trust is an open-end trust established under the laws of Ontario by The Canada Trust Company as trustee pursuant to a declaration of trust dated as of August 9, 2001. The Trust is a reporting issuer or the equivalent in each province and territory of Canada that provides for a reporting issuer regime and is not, to the best of its knowledge, in default of any applicable requirement under the securities legislation of the Jurisdictions.

12. The capital of the Trust consists of an unlimited number of units divided into one class of voting Special Trust Securities issuable in series and one class of non-voting SLEECS issuable in series.

13. As of December 31, 2016 the outstanding Trust Securities consisted of 2,000 Special Trust Securities, and 200,000 SLEECS – Series B. The outstanding Special Trust Securities are all held by SLA. The outstanding SLEECS – Series B were issued pursuant to a public offering in June 2002 and are not listed on any exchange. All of the outstanding SLEECS – Series A were redeemed by the Trust on December 31, 2011.

14. The Trust is a special purpose issuer established solely for the purpose of offering the SLEECS in order to provide SLA (and, indirectly, SLF) with a cost-effective means of raising capital for Canadian insurance company regulatory purposes by creating and selling the Trust Securities and acquiring and holding trust assets. The trust assets consist primarily of the SLA B Debenture. The Trust used the proceeds of the offering of SLEECS – Series B to purchase the SLA B Debenture. The SLA B Debenture generates income for distribution to holders of the Trust Securities on a semi-annual, non-cumulative basis.

15. The Trust does not have any material assets other than the SLA B Debenture. The Trust Securities are the only outstanding securities of the Trust. The Trust has no material liabilities other than the Credit Facilities. The purpose of

the Credit Facilities was to provide the Trust with funds to settle the expenses incurred at the time of issuance. As of December 31, 2015 an aggregate of $3.9 million was outstanding under the Credit Facilities.

16. The SLA B Debenture bears interest that is distributed to holders of SLEECS – Series B, by way of payment of the Indicated Yield and any excess net income, after such distributions are made, is distributed to SLA as the holder of the Special Trust Securities.

17. The Indicated Yield payable on the SLEECS – Series B is $35.465 per $1,000 initial issue price, which is equivalent to an annual yield of 7.093% and which corresponds to the interest rate payable on the SLA B Debenture.

18. The SLEECS – Series B may be exchanged for SLA Preferred Shares Series W or SLA Preferred Shares Series X in certain circumstances.

19. The Trust will not pay the Indicated Yield on the SLEECS – Series B if:

    (a) SLA has Public Preferred Shares outstanding and fails to declare Dividends on any of the Public Preferred Shares in accordance with their respective terms; or

    (b) SLA fails to declare Dividends on its Class B Shares – Series A,

    in either case, in the Dividend Reference Period.

20. Pursuant to the Series B Share Exchange Agreement, SLF and SLA have agreed, for the benefit of the holders of SLEECS – Series B, that if the Trust fails, on any applicable Distribution Date, to pay the Indicated Yield on the SLEECS – Series B:

    (a) SLA will not pay Dividends on the SLA Dividend Restricted Shares; or

    (b) if SLA Dividend Restricted Shares are not outstanding, SLF will not pay Dividends on the SLF Dividend Restricted Shares,

    in either case until a specific period of time has elapsed unless the Trust first pays such Indicated Yield (or the unpaid portion thereof) to holders of the SLEECS – Series B.

21. Pursuant to the terms of the SLEECS – Series B and the Series B Share Exchange Agreement, the SLEECS – Series B:

    (a) may be exchanged at the option of a holder for SLA Preferred Shares Series X pursuant to the Holder Exchange Right; and

    (b) will be automatically exchanged for SLA Preferred Shares Series W pursuant to the Automatic Exchange.

    Upon the exercise of the Holder Exchange Right or the triggering of the Automatic Exchange, the Trust will convert the corresponding principal amount of the SLA B Debenture into SLA Preferred Shares Series X or SLA Preferred Shares Series W, as the case may be.

22. The SLA Preferred Shares Series X and SLA Preferred Shares Series W will be redeemable after certain dates, at the option of SLA and subject to regulatory approval, by the payment of a cash amount or by the delivery of Common Shares of SLF.

23. On any Distribution Date the Trust has the right, subject to regulatory approval and on not less than 30 nor more than 60 days' prior written notice, to redeem the SLEECS -Series B at the greater of the SLEECS Redemption Price and the Early Redemption Price, if the SLEECS – Series B are redeemed prior to June 30, 2032, and at the SLEECS Redemption Price if the SLEECS – Series B are redeemed on or after June 30, 2032.

24. SLA, as the holder of the Special Trust Securities, may require the termination of the Trust, subject to regulatory approval, provided that holders of SLEECS – Series B receive the Early Redemption Price or the SLEECS Redemption Price, as applicable.

25. Upon the occurrence of certain regulatory or tax events affecting SLA or the Trust, the Trust has an additional right, subject to regulatory approval and on not less than 30 nor more than 90 days' prior written notice, to redeem at any time all but not less than all of the SLEECS – Series B at the Early Redemption Price if the SLEECS – Series B are

redeemed prior to June 30, 2032 and at the SLEECS Redemption Price if the SLEECS – Series B are redeemed on or after June 30, 2032.

26. In certain circumstances, including at a time when SLA's financial condition is deteriorating or proceedings for the winding-up of SLA have been commenced, the SLEECS – Series B will be automatically exchanged for SLA Preferred Shares Series W without the consent of the holders.

27. The return to holders of SLEECS is dependent on the financial condition of SLA rather than the Trust. Holders of SLEECS are ultimately concerned about the affairs and financial performance of SLA as opposed to that of the Trust.

28. The SLEECS are treated for insurance regulatory capital purposes as if they are SLA Preferred Shares and, as a result, if any circumstance arose where the solvency or financial strength of SLA was threatened, the Superintendent would be expected to move to ensure that the Automatic Exchange is triggered prior to the occurrence of any potential insolvency event at SLA.

29. The Special Trust Securities entitle the holder thereof (i.e. SLA) to, among other things: (a) vote in respect of certain matters regarding the Trust; (b) on any Regular Distribution Date, receive the Net Distributable Funds, if any, of the Trust remaining after payment of the indicated yield on all SLEECS; and (c) in the event of a termination of the Trust, participate *pari passu* with the holders of the SLEECS, in the distribution of the remaining property of the Trust, after discharge of the obligations of the Trust to creditors. In addition, upon prior approval of the Superintendent, the Trust may redeem part, or all if there are no SLEECS outstanding, of the Special Trust Securities.

30. On November 6, 2009, Sun Life Capital Trust II ("**Trust II**"), a special purpose issuer like the Trust, completed an initial public offering of 5.863% Sun Life ExchangEable Capital Securities – Series 2009-1 due December 31, 2028 (the "**SLEECS – Series 2009**"). On February 8, 2010, Trust II received an order (the "**Trust II Order**") of the securities regulatory authority or regulator of each province and territory of Canada exempting Trust II from the continuous disclosure and certification requirements of securities legislation as specified in the Trust II Order. It is a condition of the Trust II Order that, among other things, each of SLF and SLA has filed all continuous disclosure documents that it is required to file by the Legislation subject to any applicable exemptions.

SLF Guarantees

31. Concurrent with receipt of the 2012 Order, SLA amended and restated the Debt Guarantee and the Preferred Share Guarantee.

32. All of the SLA 6.15% Subordinated Debentures were redeemed by SLA on June 30, 2012. Accordingly, as of the date hereof, the Debt Guarantee applies only in respect of the SLA 6.30% Subordinated Debentures.

33. Under the Debt Guarantee, holders of the SLA 6.30% Subordinated Debentures are entitled to receive payment from SLF within 15 days of any failure by SLA to make a payment due under the SLA 6.30% Subordinated Debentures.

34. will provide a guarantee similar to the Debt Guarantee in respect of any SLA Subordinated Debentures (any such guarantee referred to as the "**New Debt Guarantee**").

35. The Debt Guarantee provides, and any New Debt Guarantee will provide, full and unconditional credit support in respect of, respectively, the SLA 6.30% Subordinated Debentures and any SLA Subordinated Debentures. The SLA 6.30% Subordinated Debentures are, and any SLA Subordinated Debentures will be, Designated Credit Support Securities.

36. The Preferred Share Guarantee applies in respect of any SLA Preferred Shares outstanding from time to time, including SLA Preferred Shares issued upon a conversion of SLEECS – Series B pursuant to the Holder Exchange Right or the Automatic Exchange.

37. The amount payable by SLF under the Preferred Share Guarantee is limited such that the claims of holders of the SLA Preferred Shares under the Preferred Share Guarantee, in effect, rank equally with the claims of holders of the corresponding class of SLF Preferred Shares. To accomplish this, the Preferred Share Guarantee provides that if a Triggering Event occurs, SLF will pay the Deficiency Payment to SLA in trust for the benefit of holders of SLA Preferred Shares outstanding as of the Triggering Event.

38. The Preferred Share Guarantee ranks subordinate to any and all outstanding liabilities of SLF unless otherwise provided by the terms of the instrument creating or evidencing any such liability. However, since the Preferred Share Guarantee is a debt obligation of SLF and, therefore, ranks ahead of the claims of holders of the SLF Preferred Shares, the calculation of the amount payable under the Preferred Share Guarantee is subject to reduction such that on the

distribution of assets upon a winding-up of SLF, claims under the Preferred Share Guarantee will, in effect, rank equally with the claims of holders of the SLF Preferred Shares. Otherwise, the Preferred Share Guarantee would negatively impact the capital treatment of the SLA Preferred Shares for insurance regulatory purposes.

39. The New Debt Guarantee and the Preferred Share Guarantee, as applicable, will be described in the prospectus or prospectus supplement filed by SLA in connection with a distribution of SLA Subordinated Debentures or SLA Preferred Shares.

Termination of Guarantees

40. Each of the SLF Guarantees will terminate (except in respect of any demand previously made on the guarantor) upon the earlier to occur of:

    (a) unless SLF and SLA agree to the contrary, the date that no SLA securities which are the subject of such guarantee (or securities or rights convertible into, exchangeable for or carrying rights to acquire such securities, including, in the case of the Preferred Share Guarantee, SLEECS) are outstanding;

    (b) the date that SLF no longer owns all of the outstanding common shares of SLA;

    (c) the date that the relief contemplated by this decision is no longer available to SLA; and

    (d) the date SLA commences filing its own Continuous Disclosure Filings with the securities regulatory authority in each province and territory in Canada,

    provided that SLF may not terminate the Preferred Share Guarantee in respect of the SLA Preferred Shares Series V, the SLA Preferred Shares Series W and the SLA Preferred Shares Series X pursuant to clauses (b), (c) or (d) above at any time after the occurrence of an Automatic Exchange or during a period when SLA has failed to make full payment when due of any dividend declared on any SLA Preferred Shares or has failed to make full payment when due of the Redemption Price and, in either case, such failure has not been remedied by the payment of such amounts in full by SLA or SLF.

Requested Relief

41. The requested relief is to replace the 2012 Order with this order.

42. The relief requested is substantially similar to the Credit Support Issuer Exemptions.

43. Section 13.4(2) of NI 51-102 provides an automatic exemption from the Continuous Disclosure Requirements for a Credit Support Issuer provided that certain conditions are satisfied. SLA will be able to satisfy each of the criteria of section 13.4(2) of NI 51-102 other than the requirement set out in section 13.4(2)(c) due to the terms of the Preferred Share Guarantee.

44. The Preferred Share Guarantee is structured such that, in a circumstance where SLA fails to make payment for 15 days of either declared dividends or the Redemption Price, or there exists insufficient assets to pay the Liquidation Preference upon the liquidation or winding-up of SLA, and at such time a winding-up order has been made in respect of SLF, payment of such amounts to holders of the SLA Preferred Shares will not be made until the final distribution of surplus of SLF, if any, to shareholders of SLF pursuant to section 95(1) of the WURA. This provision of the Preferred Share Guarantee is necessary in order to preserve the appropriate priority of claims (i.e., so claims of holders of the SLA Preferred Shares under the Preferred Share Guarantee do not rank ahead of the claims of holders of SLF Preferred Shares by virtue of such claims crystallizing earlier). In circumstances where SLF is not the subject of a winding-up order, payment will be made on the date immediately following the 15-day period permitted for the payment of dividends and the Redemption Price and, in the case of the Liquidation Preference, the later of:

    (a) the date of the final distribution of property of SLA to creditors pursuant to section 93 of the WURA; and

    (b) the date of the final distribution of surplus of SLA to shareholders, if any, pursuant to section 95(1) of the WURA.

45. The only outstanding securities of SLA that will not satisfy the criteria of section 13.4(2)(c) of NI 51-102 are the SLA Preferred Shares because the Preferred Share Guarantee is not a full and unconditional guarantee as required to comply with the definition of Designated Credit Support Securities. In addition, SLA Preferred Shares that are convertible into Resulting SLA Preferred Shares will not satisfy the condition in section 13.4(2)(c) of NI 51-102 because

such SLA Preferred Shares will not be non-convertible preferred shares as required by the definition of "designated credit support securities" in section 13.4(1) of NI 51-102.

46. The Trust is not able to rely on section 13.4 of NI 51-102 due to the fact that the SLEECS cannot be guaranteed by SLF without adverse consequences on the capital treatment for Canadian insurance company regulatory purposes.

47. Section 8.5 of NI 52-109 provides an automatic exemption from the Certification Requirements for a Credit Support Issuer provided that it qualifies for, and is in compliance with, the requirements and conditions set out in section 13.4(2) of NI 51-102. For the reasons described above, neither SLA nor the Trust meet all of the conditions of section 13.4(2) of NI 51-102.

Liability for Secondary Market Disclosure

48. SLF has delivered to the Ontario Securities Commission and has filed on its SEDAR profile an undertaking that provides as follows:

    (a) for as long as SLA and the Trust qualify for the Continuous Disclosure Exemption, SLF will be considered a "responsible issuer" for the purposes of determining its liability under Part XXIII.1 of the *Securities Act* (Ontario) as if the SLEECS were an "issuer's security" of SLF for the purposes of such part; and

    (b) for the avoidance of doubt, pursuant to the definition of "issuer's security" in section 138.1 of the *Securities Act* (Ontario), the SLA Preferred Shares, the SLA Subordinated Debentures and Designated Credit Support Securities of SLA guaranteed by SLF constitute issuer's securities of SLF for purposes of determining its liability under Part XXIII.1 of the *Securities Act* (Ontario).

Insider Reporting Exemption of SLA

49. Section 13.4(3) of NI 51-102 provides an exemption from the requirement to file an insider profile under NI 55-102 and from the Insider Reporting Requirements for an insider of a Credit Support Issuer in respect of securities of the Credit Support Issuer provided that certain conditions are satisfied. With the SLF Guarantees, SLA will satisfy each of the conditions of section 13.4(3) of NI 51-102, other than the requirement set out in section 13.4(3)(a), which requires SLA to comply with section 13.4(2)(c) of NI 51-102.

Prospectus Qualification Exemption and Prospectus Disclosure Exemption of SLA

50. The Prospectus Qualification Exemption is substantially similar to (i) the alternative qualification criteria for issuers of guaranteed non-convertible debt securities, preferred shares and cash settled derivatives under sections 2.4 of NI 44-101 and NI 44-102; and (ii) the alternative qualification criteria for issuers of guaranteed convertible debt securities or preferred shares under sections 2.5 of NI 44-101 and NI 44-102. With the SLF Guarantees, SLA will satisfy each of the conditions of sections 2.4 and 2.5 of NI 44-101 and NI 44-102, other than (i) the requirement set out in sections 2.4(1)(a) and 2.5(a) of NI 44-101 that the Preferred Share Guarantee be full and unconditional; and (ii) in connection with a distribution of rate reset SLA Preferred Shares, the requirement set out in section 2.4(1) of NI 44-101 that the SLA Preferred Shares be non-convertible.

51. The SLA Preferred Shares will not satisfy the conditions in sections 2.4(1)(a) and 2.5(a) of NI 44-101, as applicable, because the Preferred Share Guarantee is not a full and unconditional guarantee, as described in paragraph 45.

52. The Prospectus Disclosure Exemption is substantially similar to the relief available under section 13.2 of Form 44-101F1. With the Preferred Share Guarantee, SLA will satisfy each of the conditions of section 13.2 of Form 44-101F1, other than (i) the requirement set out in section 13.2(a) of Form 44-101F1; and (ii) in connection with a distribution of rate reset SLA Preferred Shares, the requirement set out in section 13.2(c) of Form 44-101F1. SLA will not satisfy the condition in section 13.2(a) of Form 44-101F1 because the Preferred Share Guarantee is not a full and unconditional guarantee, as described in paragraph 45. In addition, in connection with a distribution of rate reset SLA Preferred Shares, SLA will not satisfy the condition in section 13.2(c) of Form 44-101F1 that the SLA Preferred Shares be non-convertible.

53. At the time of the filing of any short form prospectus or prospectus supplement in connection with offerings of SLA Preferred Shares:

    (a) the prospectus will be prepared in accordance with the short form prospectus requirements of NI 44-101 and, if applicable, NI 44-102, other than the Prospectus Disclosure Requirements, except as permitted by the Legislation;

(b) SLA will comply with all of the filing requirements and procedures set out in NI 44-101 and, if applicable, NI 44-102, other than the Prospectus Qualification Requirements, except as permitted by the Legislation;

(c) the prospectus will incorporate by reference the documents of SLF set forth under Item 11.1 of Form 44-101F1;

(d) the prospectus disclosure required by Item 11 (other than 11.1(1)(5) of Form 44-101F1 in respect of SLA) will be addressed by incorporating by reference SLF's public disclosure documents referred to in paragraph 53(c) above;

(e) SLF will satisfy all of the criteria in section 2.2 of NI 44-101 and SLA will satisfy the criteria in section 2.2 of NI 44-101 other than sections 2.2(c), (d) and (e); and

(f) SLF and SLA will comply with each condition of section 13.2 of Form 44-101F1 in effect as of the date of this decision, other than paragraphs 13.2(a) and (c).

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for it to make the decision.

The decision of the principal regulator under the Legislation is that a Continuous Disclosure Exemption be granted to SLA provided that:

(a) SLF and SLA continue to be regulated by the Office of the Superintendent of Financial Institutions (Canada) or any successor;

(b) SLF remains the beneficial owner of all the outstanding voting securities (as defined in the Legislation) of SLA;

(c) SLF and SLA remain reporting issuers or the equivalent thereof under the Legislation;

(d) SLF continues to provide the Debt Guarantee in respect of the SLA 6.30% Subordinated Debentures that are outstanding;

(e) SLF provides the New Debt Guarantee in respect of any SLA Subordinated Debentures that are outstanding;

(f) SLF continues to provide the Preferred Share Guarantee until such date as of which no SLA Preferred Shares (or securities or rights convertible or exchangeable for or carrying rights to acquire SLA Preferred Shares, including SLEECS) are outstanding;

(g) SLF complies with the requirements of the Legislation and the requirements of the TSX in respect of making public disclosure of material information on a timely basis;

(h) SLF immediately issues in Canada and files any news release that discloses a material change in its affairs;

(i) SLF concurrently sends to all holders of SLA Subordinated Debentures and SLA 6.30% Subordinated Debentures, in the manner and at the time required by the Legislation and the TSX, all disclosure materials that are sent to holders of similar debt of SLF;

(j) SLF concurrently sends to all holders of guaranteed SLA Preferred Shares, and to holders of SLEECS, in the manner and at the time required by the Legislation and the TSX, all disclosure materials that are sent to holders of similar SLF Preferred Shares;

(k) as set out in the Trust II Order: (i) SLEECS – Series 2009, including accrued and unpaid interest thereon, will be exchanged automatically, without the consent of the holder thereof, for SLA Preferred Shares in certain circumstances; (ii) holders of SLEECS – Series 2009 will be required to invest interest payable on the SLEECS – Series 2009 in SLA Preferred Shares in certain circumstances; and (iii) the Preferred Share Guarantee applies to SLA Preferred Shares, including the SLA Preferred Shares issuable to holders of SLEECS – Series 2009 as described in the Trust II Order;

(l) SLF files, for the periods covered by any annual or interim financial statements of SLF, in or with such SLF financial statements, consolidating summary financial information for SLF presented with a separate column for each of the following:

(i) SLF;

(ii) SLA;

(iii) any other subsidiaries of SLF on a combined basis;

(iv) consolidating adjustments; and

(v) the total consolidated amounts;

(m) SLA immediately issues in Canada a news release and files a material change report for all material changes in respect of the affairs of SLA that are not also material changes in the affairs of SLF;

(n) SLA files its audited annual financial statements (prepared in compliance with section 331 of the ICA) concurrently with the filing of such financial statements with the Superintendent in compliance with section 335 of the ICA;

(o) no person or company other than SLF provides a guarantee or alternative credit support (as defined in NI 51-102) for the payments to be made under any issued and outstanding securities of SLA;

(p) SLA does not issue or have outstanding any securities other than Designated Credit Support Securities, securities issued to and held by SLF or its Affiliates, debt securities issued to the types of entities described in section 13.4(2)(c)(iii) of NI 51-102, securities issued under exemptions from the prospectus requirement in section 2.35 of NI 45-106, or SLA Preferred Shares that are subject to the Preferred Share Guarantee;

(q) SLA files a notice indicating it is relying on the Continuous Disclosure Filings of SLF and setting out where those documents can be found for viewing in electronic format;

(r) SLF and SLA continue to comply with each condition in section 13.4(2) of NI 51-102 in effect as of the date of this decision, other than the condition in paragraph 13.4(2)(c);

(s) such Continuous Disclosure Exemption will cease to apply three months after the coming into force of any substantive amendments to section 13.4(2) of NI 51-102 that materially adversely affect the Continuous Disclosure Exemption; and

(t) such Continuous Disclosure Exemption will cease to apply on January 15, 2022.

The further decision of the principal regulator under the Legislation is that a Continuous Disclosure Exemption be granted to the Trust provided that:

(a) SLA qualifies for the relief contemplated by, and SLF and SLA are in compliance with the requirements and conditions set out in, SLA's Continuous Disclosure Exemption;

(b) for so long as any SLEECS are outstanding, SLF and SLA continue to provide the Dividend Stopper Undertaking;

(c) the Trust does not issue or have outstanding any securities other than SLEECS – Series B and Special Trust Securities;

(d) the Trust does not carry on any operating activity other than in connection with the administration and repayment of the Trust Securities;

(e) the Trust does not have any material assets other than the SLA B Debenture, has minimal assets, operations, revenues or cash flows other than those related to the SLA B Debenture or the issuance, administration and repayment of the Trust Securities and has no material liabilities other than the Credit Facilities;

(f) the Trust immediately issues in Canada a news release and files a material change report for all material changes in respect of the affairs of the Trust that are not also material changes in the affairs of SLF or SLA;

(g) all of the outstanding Special Trust Securities are beneficially owned by SLA or any of its Affiliates and all of the outstanding voting securities (as defined in the Legislation) of SLA or of its Affiliates which own the Special Trust Securities are beneficially owned by SLF;

(h) the Trust files a notice indicating it is relying on the Continuous Disclosure Filings of SLF and setting out where those documents can be found for viewing in electronic format;

(i) at any time that the Trust is not exempt from making such payment, the Trust pays all filing fees that would otherwise be payable by the Trust in connection with the filing of the continuous disclosure documents under NI 51-102;

(j) at any time SLA is not exempt from filing such documents, SLA concurrently sends to all holders of the SLEECS all disclosure materials that are sent to holders of SLA Preferred Shares in the manner and at the time required by the Legislation;

(k) SLA, as holder of the Special Trust Securities, will not propose changes to the terms and conditions of any outstanding SLEECS that would result in the SLEECS being exchangeable for securities other than the SLA Preferred Shares;

(l) in any circumstances where the SLEECS are voting, the Trust will comply with Part 9 of NI 51-102;

(m) (i) SLEECS – Series B may be exchanged, at the option of the holder pursuant to the Holder Exchange Right or automatically without the consent of the holder in certain circumstances pursuant to the Automatic Exchange, for SLA Preferred Shares and (ii) the Preferred Share Guarantee applies to SLA Preferred Shares, including the SLA Preferred Shares issuable upon exercise of the Holder Exchange Right or pursuant to an Automatic Exchange;

(n) such Continuous Disclosure Exemption will cease to apply three months after the coming into force of any substantive amendments to section 13.4(2) of NI 51-102 that materially adversely affect the Continuous Disclosure Exemption; and

(o) such Continuous Disclosure Exemption will cease to apply on January 15, 2022.

The further decision of the principal regulator under the Legislation is that a Certification Exemption be granted to SLA provided that:

(a) SLA qualifies for the relief contemplated by, and SLF and SLA are in compliance with the requirements and conditions set out in, SLA's Continuous Disclosure Exemption;

(b) SLA and the Trust are not required to file, and do not file, their own Annual Filings and Interim Filings; and

(c) such Certification Exemption will cease to apply on January 15, 2022.

The further decision of the principal regulator under the Legislation that a Certification Exemption be granted to the Trust provided that:

(a) the Trust qualifies for the relief contemplated by, and SLF, SLA and the Trust are in compliance with the requirements and conditions set out in, the Trust's Continuous Disclosure Exemption;

(b) the Trust is not required to file, and does not file, its own Annual Filings and Interim Filings; and

(c) such Certification Exemption will cease to apply on January 15, 2022.

The further decision of the principal regulator under the Legislation is that the Insider Profile Exemption be granted to insiders of SLA provided that:

(a) SLA qualifies for the relief contemplated by, and SLF and SLA are in compliance with, the requirements and conditions set out in SLA's Continuous Disclosure Exemption;

(b) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning SLF before the material facts or material changes are generally disclosed;

(c) the insider is not an insider of SLF in any capacity other than by virtue of being an insider of SLA;

(d) if the insider is SLF, SLF does not beneficially own any Designated Credit Support Securities issued by SLA, SLA Subordinated Debentures, SLA Preferred Shares or SLEECS; and

(e) such Insider Profile Exemption will cease to apply on January 15, 2022.

The decision of the principal regulator under the Legislation is that the Insider Reporting Exemption be granted to insiders of SLA provided that:

(a) SLA qualifies for the relief contemplated by, and SLF and SLA are in compliance with, the requirements and conditions set out in SLA's Continuous Disclosure Exemption;

(b) the insider qualifies for the relief contemplated by the Insider Profile Exemption; and

(c) such Insider Reporting Exemption will cease to apply on January 15, 2022.

The further decision of the principal regulator under the Legislation is that the Prospectus Qualification Exemption and Prospectus Disclosure Exemption be granted to SLA, provided that:

(a) SLA qualifies for the relief contemplated by, and SLF and SLA are in compliance with the requirements and conditions set out in SLA's Continuous Disclosure Exemption;

(b) SLA and SLF, as applicable, comply with paragraph 53 above;

(c) any short form prospectus or prospectus supplement of SLA is in respect of an offering of SLA Preferred Shares that are subject to the Preferred Share Guarantee;

(d) on completion of any offering of SLA Preferred Shares, the SLA Preferred Shares are only convertible into Resulting SLA Preferred Shares or into securities of SLF;

(e) SLA includes in the short form prospectus or prospectus supplement for the periods covered by any annual or interim financial statements of SLF included in the short form prospectus or prospectus supplement consolidating summary financial information for SLF presented with a separate column for each of the following:

(i) SLF;

(ii) SLA;

(iii) any other subsidiaries of SLF on a combined basis;

(iv) consolidating adjustments; and

(v) the total consolidated amounts;

(f) such Prospectus Qualification Exemption will cease to apply three months after the coming into force of any substantive amendments to sections 2.4 or 2.5 of NI 44-101 that materially adversely affect the Prospectus Qualification Exemption;

(g) such Prospectus Disclosure Exemption will cease to apply three months after the coming into force of any substantive amendments to section 13.2 of Form 44-101F1 that materially adversely affect the Prospectus Disclosure Exemption; and

(h) such Prospectus Qualification Exemption and Prospectus Disclosure Exemption will cease to apply on January 15, 2022.

This decision shall expire 30 days after the date that a material adverse change occurs in the representations of SLF, SLA or the Trust in this decision.

The further decision of the principal regulator is that the 2012 Order is replaced by this decision.

As to the Exemption Sought (other than from the Insider Reporting Requirements in the Act).

"Sonny Randhawa"
Deputy Director, Corporate Finance
Ontario Securities Commission

As to the Exemption Sought from the Insider Reporting Requirements in the Act.

"Judith N. Robertson"
Commissioner
Ontario Securities Commission

"Garnet W. Fenn"
Commissioner
Ontario Securities Commission

2.1.4 The Manufacturers Life Insurance Company and Manulife Financial Capital Trust II

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – passport application – credit support issuer does not satisfy conditions of exemption in section 13.4 of NI 51-102 – credit support issuer has securities outstanding that are not designated credit support securities because credit supporter has not provided a full and unconditional guarantee – designated credit support securities cannot have a full and unconditional guarantee because of regulatory capital requirements – credit support issuer exempt from certain continuous disclosure, certification, insider reporting, prospectus qualification and prospectus disclosure requirements under the Legislation, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S-5, as amended, ss.107, 121(2)(a)(ii).
National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1, 13.4.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 8.6.
National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI), ss. 2.1, 6.1.
National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 10.1.
National Instrument 44-101 Short Form Prospectus Distributions, Part 2 and s. 8.1.
Form 44-101F1 Short Form Prospectus, Item 6 and s. 11.1.
National Instrument 44-102 Shelf Distributions, Part 2 and s. 11.1.

January 13, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
THE MANUFACTURERS LIFE INSURANCE COMPANY (MLI) AND
MANULIFE FINANCIAL CAPITAL TRUST II
(the Trust and, together with MLI, the Filers)

DECISION

Background

MLI and Manulife Financial Capital Trust received the 2012 Order exempting MLI and Manulife Financial Capital Trust from the continuous disclosure and certification requirements and insiders of MLI from the insider reporting and insider profile requirements of securities legislation as specified in the 2012 Order. The 2012 Order expires on January 15, 2017.

On June 30, 2012, Manulife Financial Capital Trust redeemed all of its outstanding securities issued to the public and ceased to be a reporting issuer.

The Trust received the 2009 Order exempting the Trust from the continuous disclosure and certification requirements of securities legislation as specified in the 2009 Order.

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) to renew and combine the 2012 Order and the 2009 Order, to provide that:

1. MLI be granted an exemption (the **Continuous Disclosure Exemption**) from the Continuous Disclosure Requirements pursuant to section 13.1 of NI 51-102;

2. the Trust be granted a Continuous Disclosure Exemption from the Continuous Disclosure Requirements pursuant to section 13.1 of NI 51-102;

3. MLI be granted an exemption (the **Certification Exemption**) from the Certification Requirements pursuant to section 8.6 of NI 52-109;

4. the Trust be granted a Certification Exemption from the Certification Requirements pursuant to section 8.6 of NI 52-109;

5. insiders of MLI be granted an exemption (the **Insider Profile Exemption**) from the requirement to file an insider profile under section 2.1 of NI 55-102 pursuant to section 6.1 of NI 55-102;

6. insiders of MLI be granted an exemption (the **Insider Reporting Exemption**) from the Insider Reporting Requirements in respect of securities of MLI pursuant to section 121(2)(a)(ii) of the Act and section 10.1 of NI 55-104;

7. MLI be granted an exemption (the **Prospectus Qualification Exemption**) from the Prospectus Qualification Requirements in respect of a distribution of MLI Preferred Shares pursuant to section 8.1 of NI 44-101 and section 11.1 of NI 44-102; and

8. MLI be granted an exemption (the **Prospectus Disclosure Exemption**) from the Prospectus Disclosure Requirements in respect of a distribution of MLI Preferred Shares pursuant to section 8.1 of NI 44-101 and section 11.1 of NI 44-102 (collectively, the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces and territories other than Ontario.

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* and MI 11-202 have the same meaning in this decision, unless they are defined in this decision.

In this decision,

2009 Order means the decision document dated August 21, 2009 from the securities regulatory authorities in each province and territory of Canada, as described in more detail herein, granting relief to the Trust from certain continuous disclosure obligations and certain certification requirements, subject to certain specified conditions;

2012 Order means the decision document dated January 13, 2012 from the securities regulatory authorities in each province and territory of Canada, as described in more detail herein, granting relief to: (a) MLI and Manulife Financial Capital Trust from filing certain continuous disclosure obligations and certain certification requirements; and (b) insiders of MLI from filing an insider profile and from certain insider reporting requirements in respect of securities of MLI, subject to certain specified conditions;

Act means the *Securities Act* (Ontario);

AIF means an annual information form;

Annual Filings means an issuer's AIF, annual financial statements and annual MD&A filed pursuant to NI 51-102;

Assignment and Set-Off Agreement means the assignment, set-off and trust agreement entered into among the Trust, MLI, MFC and CIBC Mellon Trust Company, as indenture trustee, dated July 10, 2009;

Automatic Exchange means the automatic exchange of each MaCS II – Series 1 for MLI Exchange Preferred Shares upon the occurrence of a Loss Absorption Event;

Business Day means a day on which Canadian chartered banks are open for business in the City of Toronto and which is not a Saturday or Sunday;

Canada Yield Price means the price per $1,000 principal amount of MaCS II – Series 1 calculated by MLI to provide an annual yield thereon from the applicable date of redemption to but excluding the next Interest Reset Date equal to the GOC

Redemption Yield plus (A) 1.00% if the redemption date is any time prior to December 31, 2019, or (B) 2.00% if the redemption date is any time after December 31, 2019;

Capital Guidelines means the Canadian insurance regulatory guidelines issued from time to time by the Superintendent or other governmental authority in Canada concerning the maintenance of adequate capital reserves by Canadian insurance companies, including MLI;

Certification Requirements means the requirements to file: (a) annual certificates (as defined in NI 52-109) under sections 4.1 and 6.1, as applicable, of NI 52-109; and (b) interim certificates (as defined in NI 52-109) under sections 5.1 and 6.2, as applicable, of NI 52-109;

Continuous Disclosure Filings means: (a) audited annual financial statements including MD&A thereon required by sections 4.1 and 5.1 of NI 51-102; (b) unaudited interim financial reports including MD&A thereon required by sections 4.3 and 5.1 of NI 51-102; (c) an AIF required by section 6.1 of NI 51-102; (d) press releases and material change reports required by section 7.1 of NI 51-102 in the case of material changes that are also material changes in the affairs of MFC; and (e) other material contracts required by section 12.2 of NI 51-102 in the case of material contracts that are also material contracts of MFC;

Continuous Disclosure Requirements means the requirements contained in NI 51-102 to file and deliver, as applicable, the Continuous Disclosure Filings;

Credit Facility means the unsecured credit facility in the amount of up to $30,000,000 provided by MLI to the Trust;

credit support issuer has the meaning given to such term in NI 51-102;

credit supporter has the meaning given to such term in NI 51-102;

Deferral Date means an Interest Payment Date in respect of which a Deferral Event has occurred;

Deferral Event means: (i) an Other Deferral Event, or (ii) MLI has failed to declare cash dividends on its Class A Shares Series 1 or, if any MLI Public Preferred Shares are outstanding, MLI has failed to declare cash dividends on any of its MLI Public Preferred Shares in accordance with their respective terms, in either case, in the last 90 days preceding the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date;

Deficiency Payment means a payment to be calculated as follows:

(a) in the event that, at the time of the determination date, a winding-up order has been made with respect to MFC, then the Deficiency Payment shall be the amount that, when paid to the holders of the MLI Preferred Shares outstanding as of the Triggering Event, will result in:

  (i) the holders of Class A Shares of MLI outstanding as of the Triggering Event receiving payment of the same proportion of the unpaid amounts on the Class A Shares of MLI as the holders of such shares would have received had their claim to such unpaid amounts on the final distribution of surplus of MFC, if any, pursuant to section 95(1) of the WURA ranked on a parity with the claims of the holders of the Class A Shares of MFC; and

  (ii) the holders of Class B Shares of MLI outstanding as of the Triggering Event receiving payment of the same proportion of the unpaid amounts for such Class B Shares of MLI as the holders of such shares would have received had their claim to such unpaid amounts on the final distribution of surplus of MFC, if any, pursuant to section 95(1) of the WURA ranked on a parity with the claims of the holders of Class B Shares of MFC;

(b) in all circumstances other than those listed above, the Deficiency Payment will equal the aggregate unpaid amounts attributable to all classes of MLI Preferred Shares outstanding as of the Triggering Event;

Demutualization means the demutualization of MLI on September 23, 1999 pursuant to letters patent of conversion issued by the Minister of Finance;

designated credit support securities has the meaning given to such term in NI 51-102;

Dividend Declaration Resumption Month means the month that is the 6th month following the relevant Deferral Date in respect of which an Other Deferral Event has occurred, being the month in which, as applicable, (i) MLI may resume declaring and paying dividends on the MLI Public Preferred Shares, or (ii) MFC may resume declaring and paying dividends on the MFC Dividend Restricted Shares;

Dividend Restricted Period means the period from and including a Deferral Date in respect of which an Other Deferral Event has occurred to but excluding the first day of the relevant Dividend Declaration Resumption Month;

Dividend Stopper Undertaking means the covenant of MLI and MFC, as applicable, for the benefit of the holders of the MaCS II – Series 1, in the Assignment and Set-Off Agreement to, among other things, refrain from declaring or paying dividends on its shares in the circumstances described in that agreement, commencing on the applicable Deferral Date in respect of which an Other Deferral Event has occurred until the Dividend Declaration Resumption Month;

Eligible Trust Assets means money, debt obligations, including those of MLI, and contractual rights in respect of the activities and operations of the Trust;

Exchange Trustee means CIBC Mellon Trust Company, as trustee for the holders of MaCS II – Series 1 pursuant to the Share Exchange Agreement;

Existing Subordinated Debt Guarantees means the full and unconditional subordinated guarantees by MFC of MLI's payment obligations in respect of the MLI Existing Subordinated Debentures;

Form 44-101F1 means Form 44-101F1 – *Short Form Prospectus Distributions* of NI 44-101;

full and unconditional credit support has the meaning given to such term in NI 41-101;

GOC Redemption Yield means, on any date of redemption of a MaCS II – Series 1, the average of the annual yields as at 12:00 p.m. (Eastern time) on the Business Day immediately preceding the date on which the Trust gives notice of the redemption of the MaCS II – Series 1, as determined by two Canadian registered investment dealers, each of which will be selected by, and must be independent of, MLI and the Trust, as being the annual yield from the applicable date of redemption to but excluding the next Interest Reset Date which a non-callable Government of Canada bond would carry, assuming semi-annual compounding, if issued in Canadian dollars at 100% of its principal amount on the date of redemption and maturing on the next Interest Reset Date;

ICA means the *Insurance Companies Act* (Canada), as amended;

ICA Financial Statements means the audited annual financial statements of MLI prepared in order to comply with the ICA;

Indenture means the amended and restated trust indenture made as of November 18, 2011 between MLI and BNY Trust Company of Canada, as supplemented (as the same may be further amended, amended and restated and supplemented or replaced from time to time);

Insider Reporting Requirements means the requirements for an insider of a reporting issuer to file:

(a) insider reports required by section 107 of the Act and sections 3.2 and 3.3 of NI 55-104 in respect of securities of the reporting issuer; and

(b) insider reports required under any provisions of securities legislation of any of the provinces or territories of Canada substantially similar to section 107 of the Act and sections 3.2 and 3.3 of NI 55-104 in respect of securities of the reporting issuer;

Interest Payment Date means the last day of June and December in each year during which the MaCS II – Series 1 are outstanding;

Interest Period means from and including each Interest Payment Date to but excluding the next following Interest Payment Date;

Interest Reset Date means December 31, 2019, and every fifth anniversary of such date thereafter until December 31, 2104, on which dates the interest rate on the MaCS II – Series 1 and the MLI Debenture will be reset as described in the MaCS II Final Prospectus;

Interim Filings means an issuer's interim financial reports and interim MD&A filed pursuant to NI 51-102;

Liquidation Preference means any amount to which holders of a particular class or series of MLI Preferred Shares are entitled in priority to any amounts which may be payable in respect of any class of shares of MLI which rank junior to such class or series in the event of a distribution of assets upon the liquidation, dissolution or winding-up of MLI;

Loss Absorption Event means an event giving rise to the Automatic Exchange, being the occurrence of any one of the following: (i) an application for a winding-up order in respect of MLI pursuant to the WURA is filed by the Attorney General of Canada or a winding-up order in respect of MLI pursuant to the WURA is granted by a court; (ii) the Superintendent advises MLI in writing that the Superintendent has taken control of MLI or its assets pursuant to the ICA; (iii) the Superintendent advises MLI in writing that the Superintendent is of the opinion that MLI has a net Tier 1 capital ratio of less than 75% or an MCCSR ratio of less than 120%; (iv) the Board of Directors of MLI advises the Superintendent in writing that MLI has a net Tier 1 capital ratio of less than 75% or an MCCSR ratio of less than 120%; or (v) the Superintendent directs MLI pursuant to the ICA to increase its capital or provide additional liquidity and MLI elects to cause the Automatic Exchange as a consequence of the issuance of such direction or MLI does not comply with such direction to the satisfaction of the Superintendent within the time specified therein;

MaCS II – Series 1 means the $1,000,000,000 principal amount of 7.405% Manulife Financial Capital Trust II Notes – Series 1 due December 31, 2108 (first redeemable December 31, 2014);

MaCS II Declaration of Trust means the declaration of trust dated June 12, 2009 made by the MaCS II Trustee, as amended and restated on July 10, 2009, and as it may be further amended, restated and supplemented from time to time;

MaCS II Final Prospectus means the final prospectus of the Trust dated July 6, 2009;

MaCS II Trustee means Computershare Trust Company of Canada, as trustee of the Trust;

MCCSR means Minimum Continuing Capital and Surplus Requirements for Life Insurance Companies established from time to time as part of the Capital Guidelines to ensure that insurance companies maintain adequate capital and appropriate forms of liquidity in relation to their operations;

MD&A means management's discussion and analysis;

MFC means Manulife Financial Corporation;

MFC Dividend Restricted Shares means, collectively, the MFC Preferred Shares, and common shares of MFC;

MFC Guarantees means collectively the Existing Subordinated Debt Guarantees, the New Subordinated Debt Guarantees and the Preferred Share Guarantee;

MFC Preferred Shares means collectively the outstanding Class A Shares, Class B Shares and Class 1 Shares of MFC from time to time;

MFC Responsible Issuer Undertaking means the undertaking delivered by MFC to the principal regulator confirming that, among other things:

(a) for so long as MLI and the Trust both qualify for the Continuous Disclosure Exemption, MFC will be considered a "responsible issuer" for purposes of determining MFC's liability under Part XXIII.1 of the *Securities Act* (Ontario) as if MaCS II – Series 1 were an "issuer's security" of MFC for purposes of such Part; and

(b) for greater certainty, pursuant to the definition of "issuer's security" in section 138.3(1) of the *Securities Act* (Ontario), MLI Preferred Shares and designated credit support securities of MLI guaranteed by MFC constitute issuer's securities of MFC for purposes of determining MFC's liability under Part XXIII.1 of the *Securities Act* (Ontario);

Missed Dividend Deferral Event means (i) the failure of MLI to declare cash dividends on the Class A Shares Series 1 of MLI, or (ii) if MLI has any MLI Public Preferred Shares outstanding, the failure of MLI to declare cash dividends on any of the MLI Public Preferred Shares in accordance with their respective terms (other than a failure to declare such dividends during a Dividend Restricted Period), in either case, in the last 90 days preceding the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date;

MLI means The Manufacturers Life Insurance Company;

MLI 2.10% Subordinated Debentures means the $750,000,000 principal amount of 2.10% fixed/floating subordinated debentures of MLI due June 1, 2025 (first redeemable June 1, 2020);

MLI 2.389% Subordinated Debentures means the $350,000,000 principal amount of 2.389% fixed/floating subordinated debentures of MLI due January 5, 2026 (first redeemable January 5, 2021);

MLI 2.640% Subordinated Debentures means the $500,000,000 principal amount of 2.640% fixed/floating subordinated debentures of MLI due January 15, 2025 (first redeemable January 15, 2020);

MLI 2.811% Subordinated Debentures means the $500,000,000 principal amount of 2.811% fixed/floating subordinated debentures of MLI due February 21, 2024 (first redeemable February 21, 2019);

MLI 2.819% Subordinated Debentures means the $200,000,000 principal amount of 2.819% fixed/floating subordinated debentures of MLI due February 26, 2023 (first redeemable February 26, 2018);

MLI 2.926% Subordinated Debentures means the $250,000,000 principal amount of 2.926% fixed/floating subordinated debentures of MLI due November 29, 2023 (first redeemable November 29, 2018);

MLI 3.181% Subordinated Debentures means the $1,000,000,000 principal amount of 3.181% fixed/floating subordinated debentures of MLI due November 22, 2027 (first redeemable November 22, 2022);

MLI 3.938% Subordinated Debentures means the $400,000,000 principal amount of 3.938% fixed/floating subordinated debentures of MLI (as successor company to SLAC) due September 21, 2022 (first redeemable September 21, 2017);

MLI 4.165% Subordinated Debentures means the $500,000,000 principal amount of 4.165% fixed/floating subordinated debentures of MLI due June 1, 2022 (first redeemable June 1, 2017);

MLI Class 1 Shares means the Class 1 Shares of MLI;

MLI Debenture means the senior debenture issued by MLI in respect of the MaCS II – Series 1;

MLI Deferral Preferred Shares means Class 1 Shares Series 1 of MLI to be issued to holders of MaCS II – Series 1 in respect of each Deferral Event;

MLI Exchange Preferred Shares means the Class 1 Shares Series 1 of MLI to be issued to holders of MaCS II – Series 1 in respect of an Automatic Exchange;

MLI Existing Subordinated Debentures means collectively the MLI 2.10% Subordinated Debentures, the MLI 2.389% Subordinated Debentures, the MLI 2.640% Subordinated Debentures, the MLI 2.811% Subordinated Debentures, the MLI 2.819% Subordinated Debentures, the MLI 2.926% Subordinated Debentures, the MLI 3.181% Subordinated Debentures, the MLI 3.938% Subordinated Debentures and the MLI 4.165% Subordinated Debentures;

MLI Preferred Shares means collectively the outstanding Class A Shares, Class B Shares and Class 1 Shares of MLI from time to time, other than shares issued to and held by MFC or an affiliate (as defined in NI 51-102) of MFC, and, for greater certainty, MLI Preferred Shares includes any outstanding Resulting MLI Preferred Shares;

MLI Public Preferred Shares means, at any time, preferred shares of MLI which, at that time (i) have been issued to the public (excluding any preferred shares of MLI held beneficially by affiliates of MLI), (ii) are listed on a recognized stock exchange, and (iii) have an aggregate liquidation entitlement of at least $200 million, provided, however, if, at any time, there is more than one class of MLI Public Preferred Shares outstanding, then the most senior class or classes of outstanding MLI Public Preferred Shares shall, for all purposes, be the MLI Public Preferred Shares;

MLI Subordinated Debentures means the subordinated debentures of MLI outstanding from time to time, other than the MLI Existing Subordinated Debentures;

New Subordinated Debt Guarantees has the meaning given to such term in paragraph 55;

NI 13-101 means National Instrument 13-101 – *System of Electronic Document Analysis and Retrieval (SEDAR)*;

NI 41-101 means National Instrument 41-101 – *General Prospectus Requirements*;

NI 44-102 means National Instrument 44-102 – *Shelf Distributions*;

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

NI 45-106 means National Instrument 45-106 – *Prospectus and Registration Exemptions*;

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

NI 52-109 means National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*;

NI 55-102 means National Instrument 55-102 – *System for Electronic Disclosure by Insiders (SEDI)*;

NI 55-104 means National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*;

NI 71-101 means National Instrument 71-101 – *The Multijurisdictional Disclosure System*;

Offering means the public offering of the MaCS II – Series 1 pursuant to the MaCS II Final Prospectus;

OSFI means the Office of the Superintendent of Financial Institutions (Canada);

Other Deferral Event means (i) the election by MLI, at its sole option, prior to the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date, that holders of MaCS II – Series 1 invest interest payable on the MaCS II – Series 1 on the relevant Interest Payment Date in MLI Deferral Preferred Shares, or (ii) for whatever reason (other than as a result of a Missed Dividend Deferral Event), interest is not paid in full in cash on the MaCS II – Series 1 on any Interest Payment Date (or the next following Business Day, if the relevant Interest Payment Date is not a Business Day);

parent credit supporter has the meaning given to such term in NI 51-102;

Perpetual Preferred Share Rate means the rate per annum equal to the Thirty Year Canada Yield prevailing (i) in the case of the MLI Exchange Preferred Shares, at the time of the Automatic Exchange, or (ii) in the case of the MLI Deferral Preferred Shares, on the date of issuance of each series of MLI Deferral Preferred Shares, plus, in each case, 3.24%;

Preferred Share Guarantee means the subordinated guarantee dated January 29, 2007 by MFC of the payments to be made by MLI under the MLI Preferred Shares, which consist of: (a) the amount of any declared and unpaid dividends on the MLI Preferred Shares; (b) the Redemption Price of the MLI Preferred Shares; and (c) the Liquidation Preference of the MLI Preferred Shares, as amended and restated on January 13, 2017 to reflect the terms of this decision;

Prospectus Disclosure Requirements means the requirements contained in section 6 (Earnings Coverage Ratio) and section 11.1, other than section 11.1(1)(5), (Incorporation by Reference) of Form 44-101F1 that issuers must satisfy to distribute securities pursuant to a short form prospectus or a base shelf prospectus, as applicable;

Prospectus Qualification Requirements means the requirements contained in Part 2 of NI 44-101 and Part 2 of NI 44-102 that issuers must satisfy to distribute securities pursuant to a short form prospectus or a base shelf prospectus, as applicable;

Redemption Price means the amount payable by MLI following presentation and surrender of any MLI Preferred Shares which have been redeemed by MLI or which are then redeemable by the holder pursuant to the terms of such MLI Preferred Shares;

Resulting MLI Preferred Shares has the meaning given to such term in paragraph 8;

SEDAR means the System for Electronic Document Analysis and Retrieval;

Share Exchange Agreement means the share exchange agreement entered into by MFC, MLI, the Trust and the Exchange Trustee on July 10, 2009;

SLAC means The Standard Life Assurance Company of Canada;

summary financial information has the meaning given to such term in NI 51-102;

Superintendent means the Superintendent of Financial Institutions (Canada);

Tax Act means the *Income Tax Act* (Canada), as amended;

Thirty Year Canada Yield means, on the relevant date, the average of the annual yields as at 12:00 p.m. (Eastern time), as determined by two Canadian registered investment dealers, each of which will be selected by, and must be independent of, MLI and the Trust, as being the annual yield to maturity on such date which a non-callable Government of Canada bond would carry, assuming semi-annual compounding, if issued on such date in Canadian dollars in Canada at 100% of its principal amount with a term to maturity of thirty years;

Triggering Event will occur if MLI:

(a) fails to make full payment of any dividend declared on any MLI Preferred Shares on the date required for such payment; or

(b) fails to make payment in full when due of the Redemption Price; or

(c) becomes subject to a "winding-up order" (as defined under the WURA or any order of similar effect made under applicable laws for the winding-up, liquidation or dissolution of MLI);

Trust means Manulife Financial Capital Trust II;

Trust Assets means the Eligible Trust Assets held from time to time by the Trust;

Trust Securities means, collectively, the Voting Trust Units and the MaCS II – Series 1;

Voting Trust Units means the Voting Trust Units of the Trust; and

WURA means the *Winding-up and Restructuring Act* (Canada), as amended.

Representations

This decision is based on the following facts represented by the Filers:

MLI

Incorporation and Status

1. MLI was incorporated on June 23, 1887, by a Special Act of Parliament of the Dominion of Canada. Pursuant to the provisions of the then Canadian and British *Insurance Companies Act* (Canada), the predecessor legislation to the ICA, MLI undertook a plan of mutualization and became a mutual life insurance company on December 19, 1968. On September 23, 1999 MLI completed the Demutualization. MLI's head office is located at 200 Bloor Street East, Toronto, Ontario, M4W 1E5.

2. MLI is regulated by OSFI and it is licensed under the insurance legislation of each province and territory of Canada. MLI has a financial year end of December 31. MLI is a reporting issuer or the equivalent in each of the provinces and territories of Canada and is not, to the best of its knowledge, in default of its reporting issuer obligations under the securities legislation of any of the provinces or territories of Canada.

Capital Structure

3. MLI's authorized share capital consists of an unlimited number of Common Shares, an unlimited number of Class A Shares, issuable in series, an unlimited number of Class B Shares, issuable in series and an unlimited number of Class 1 Shares, issuable in series.

4. There are seven series of Class A Shares which are authorized for issuance. MLI is authorized to issue 40,000 Class A Shares Series 1; 2,400,000 Class A Shares Series 2; 2,400,000 Class A Shares Series 3; 37,600,000 Class A Shares Series 4; 37,600,000 Class A Shares Series 5; 4,000,000 Class A Shares Series 6; and an unlimited number of Class A Shares Series Z.

5. There are one series of Class B Shares and two series of Class 1 Shares which are authorized for issuance. MLI is authorized to issue 1,100,000 Class B Shares Series 1 and an unlimited number of Class 1 Shares Series 1 and Class 1 Shares Series Z.

6. As of September 30, 2016, approximately 5,208 million Common Shares and 40,000 Class A Shares Series 1 were issued and outstanding. MFC holds all of the issued and outstanding MLI Common Shares and Class A Shares Series 1. MFC may from time to time subscribe for a sufficient number of Class A Shares Series Z and/or Class 1 Shares Series Z such that at all times MFC will control any class vote of the Class A Shares and/or Class 1 Shares.

7. MLI also issued each of the MLI Existing Subordinated Debentures (other than the MLI 3.938% Subordinated Debentures) on February 17, 2012, February 25, 2013, November 29, 2013, February 21, 2014, December 1, 2014, March 10, 2015, June 1, 2015 and November 20, 2015, respectively, pursuant to prospectus supplements to MLI's base shelf prospectus dated November 11, 2011 and December 13, 2013 (as amended by Amendment No. 1 dated May 13, 2015), as applicable. The MLI 3.938% Subordinated Debentures were issued by SLAC on September 21,

2012 and assumed by MLI as successor company to SLAC on July 1, 2015. As of September 30, 2016, an aggregate principal amount of $5.0 billion of MLI Existing Subordinated Debentures were issued and outstanding.

8. MLI satisfies each of the alternative qualification criteria listed in sections 2.4 and 2.5 of NI 44-101, other than sections 2.4(1)(a), 2.5(a) and 2.4(1). MLI will not satisfy the requirements under sections 2.4(1)(a) and 2.5(a) because the Preferred Share Guarantee is not a full and unconditional guarantee (as discussed below). In addition, MLI will not satisfy the requirements under section 2.4(1) for distributions of rate reset MLI Preferred Shares because rate reset MLI Preferred Shares will be convertible into another series of MLI Preferred Shares (the "**Resulting MLI Preferred Shares**").

Financial Statements

9. MLI prepares the ICA Financial Statements in order to comply with section 331 of the ICA, which requires that such financial statements be placed before its shareholders and policyholders at every annual meeting. MLI is also required to send the ICA Financial Statements to its registered shareholder and policyholders and to file them with the Superintendent not later than 21 days before the date of the annual meeting pursuant to sections 334(1) and 335(1) of the ICA. MLI files its annual financial statements on SEDAR in compliance with the 2012 Order.

MFC

Incorporation and Status

10. MFC was incorporated under the ICA on April 26, 1999. On September 23, 1999, in connection with the Demutualization, MFC became the sole shareholder of MLI. MFC's head office is located at 200 Bloor Street East, Toronto, Ontario, M4W 1E5.

11. MFC is regulated by OSFI. MFC is a publicly traded company on the Toronto Stock Exchange, the New York Stock Exchange, the Stock Exchange of Hong Kong Limited and the Philippine Stock Exchange. MFC has a financial year end of December 31. MFC is a reporting issuer or the equivalent in each of the provinces and territories of Canada and is not, to the best of its knowledge, in default of its reporting issuer obligations under the securities legislation of any of the provinces or territories of Canada.

Capital Structure

12. The authorized share capital of MFC consists of an unlimited number of Common Shares, an unlimited number of Class A Shares, issuable in series, an unlimited number of Class B Shares, issuable in series and an unlimited number of Class 1 Shares, issuable in series. There are two series of Class A Shares and twenty series of Class 1 Shares which are authorized for issuance. MFC is authorized to issue 14 million Class A Shares Series 2, 12 million Class A Shares Series 3, 8 million Class 1 Shares Series 3, 8 million Class 1 Shares Series 4, 8 million Class 1 Shares Series 5, 8 million Class 1 Shares Series 6, 10 million Class 1 Shares Series 7, 10 million Class 1 Shares Series 8, 10 million Class 1 Shares Series 9, 10 million Class 1 Shares Series 10, 8 million Class 1 Shares Series 11, 8 million Class 1 Shares Series 12, 8 million Class 1 Shares Series 13, 8 million Class 1 Shares Series 14, 8 million Class 1 Shares Series 15, 8 million Class 1 Shares Series 16, 14 million Class 1 Shares Series 17, 14 million Class 1 Shares Series 18, 10 million Class 1 Shares Series 19, 10 million Class 1 Shares Series 20, 17 million Class 1 Shares Series 21, 17 million Class 1 Shares Series 22, 19 million Class 1 Shares Series 23 and 19 million Class 1 Shares Series 24.

13. As of September 30, 2016, approximately 1,973 million Common Shares, 14 million Class A Shares Series 2, 12 million Class A Shares Series 3, 6.3 million Class 1 Shares Series 3, 1.7 million Class 1 Shares Series 4, 8 million Class 1 Shares Series 5, 10 million Class 1 Shares Series 7, 10 million Class 1 Shares Series 9, 8 million Class 1 Shares Series 11, 8 million Class 1 Shares Series 13, 8 million Class 1 Shares Series 15, 14 million Class 1 Shares Series 17, 10 million Class 1 Shares Series 19, 17 million Class 1 Shares Series 21 and 19 million Class 1 Shares Series 23 were issued and outstanding.

14. MFC also issued medium term notes on June 26, 2008 and April 8, 2009. As of September 30, 2016, an aggregate principal amount of $1.0 billion in medium term notes were issued and outstanding.

15. MFC also issued senior notes on September 17, 2010, March 4, 2016, June 23, 2016 and December 2, 2016. As of December 31, 2016, an aggregate principal amount of US$3.52 billion in senior notes were issued and outstanding.

16. MFC also issued subordinated debentures on May 25, 2016. As of September 30, 2016, an aggregate principal amount of Singapore $500 million in subordinated debentures were issued and outstanding.

17. MFC is qualified to use the short form prospectus system provided by NI 44-101.

18. MFC has delivered to the Ontario Securities Commission the MFC Responsible Issuer Undertaking. MFC has filed the MFC Responsible Issuer Undertaking on its SEDAR profile.

The Trust and the MaCS II Trustee

Formation and Status

19. The Trust is a trust established under the laws of the Province of Ontario by the MaCS II Trustee pursuant to the MaCS II Declaration of Trust. The Trust's head office is located at 200 Bloor Street East, Toronto, Ontario, M4W 1E5.

20. The Trust has a financial year end of December 31. The Trust is a reporting issuer or the equivalent in each of the provinces and territories of Canada and is not, to the best of its knowledge, in default of its reporting issuer obligations under the securities legislation of any of the provinces or territories of Canada.

Capital Structure

21. The authorized unit capital of the Trust consists of an unlimited number of Voting Trust Units. As of September 30, 2016, 1,000 Voting Trust Units were issued and outstanding. All of the outstanding Voting Trust Units are held by MLI.

22. The Trust issued the MaCS II – Series 1 pursuant to the Offering. As of September 30, 2016, an aggregate principal amount of $1,000,000,000 in MaCS II – Series 1 were issued and outstanding.

23. The Trust Securities are the only outstanding securities of the Trust.

Business of the Trust

24. The Trust is a single purpose vehicle established solely for the purpose of effecting the Offering in order to provide MLI (and indirectly MFC) with a cost-effective means of raising capital for Canadian insurance company regulatory purposes by: (a) creating and selling the Trust Securities; and (b) acquiring and holding Trust Assets, which consist primarily of the MLI Debenture. The Trust used the proceeds of the Offering to purchase the MLI Debenture. The MLI Debenture generates income for payment of principal, interest, the redemption price, if any, and any other amounts in respect of the MaCS II – Series 1.

25. The Trust does not have any material assets other than the MLI Debenture. The Trust has no material liabilities other than the Credit Facility. The purpose of the Credit Facility is to ensure liquidity in the normal course of the Trust's activities. As of December 31, 2015 an aggregate of $1.0 million was outstanding under the Credit Facility.

Description of the Trust Securities

26. From the date of issuance until December 31, 2108, the Trust will pay interest on the MaCS II – Series 1 in equal (subject to the reset of the interest rate and except for the first interest payment) semi-annual instalments on each Interest Payment Date. Starting on December 31, 2019, and on each Interest Reset Date thereafter until 2104, the interest rate on the MaCS II – Series 1 will be reset at an interest rate per annum equal to the Government of Canada Yield (as defined in the MaCS II Final Prospectus) plus 5.00%.

27. Pursuant to the Assignment and Set-Off Agreement, MLI and MFC have agreed, for the benefit of the holders of the MaCS II – Series 1, that if an Other Deferral Event occurs, then (a) MLI will not declare or pay any cash dividends on any MLI Public Preferred Shares, or (b) if no MLI Public Preferred Shares are outstanding, then MFC will not declare or pay cash dividends on the MFC Dividend Restricted Shares and (c) in cases where (a) applies, neither MFC nor any subsidiary of MFC may make any payment to holders of MLI Public Preferred Shares in respect of dividends not declared or paid by MLI, and neither MFC nor any subsidiary of MFC may purchase any MLI Public Preferred Shares, or, in cases where clause (b) applies, neither MFC nor any subsidiary of MFC may make any payment to holders of MFC Dividend Restricted Shares in respect of dividends not declared or paid by MFC, and neither MFC nor any subsidiary of MFC may purchase any MFC Dividend Restricted Shares, provided that any subsidiary of MFC whose primary business is dealing in securities may purchase MLI Public Preferred Shares or MFC Dividend Restricted Shares in certain limited circumstances as permitted in the ICA or the regulations thereunder, in any case until the expiry of the Dividend Stopper Undertaking. Accordingly, it is in the interest of MLI and MFC to ensure, to the extent within their control, that the Trust pays the interest on the MaCS II – Series 1 in cash on each Interest Payment Date so as to avoid triggering the Dividend Stopper Undertaking.

28. On each Interest Payment Date on which a Deferral Event has occurred in respect of a series of MaCS II – Series 1, holders of MaCS II – Series 1 will be required to invest interest payable on the MaCS II – Series 1 in MLI Deferral Preferred Shares.

29. The MLI Deferral Preferred Shares will pay quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors of MLI, subject to the provisions of the ICA, at the Perpetual Preferred Share Rate, subject to any withholding tax.

30. Prior to the issuance of any MLI Deferral Preferred Shares in respect of a Deferral Event, MLI will not, without the prior approval of the Superintendent and the prior approval of the holders of the MaCS II – Series 1, amend any terms attaching to such MLI Deferral Preferred Shares, provided that the prior approval of the holders of MaCS II – Series 1 will not be required in the case of amendments relating to the MLI Class 1 Shares as a class.

31. The MaCS II – Series 1, including accrued and unpaid interest thereon, will be exchanged automatically, without the consent of the holder thereof, for the MLI Exchange Preferred Shares pursuant to the Automatic Exchange.

32. Pursuant to the Share Exchange Agreement, MLI has granted to the Exchange Trustee, for the benefit of the holders of MaCS II – Series 1, the right to exchange MaCS II – Series 1 for MLI Exchange Preferred Shares upon an Automatic Exchange and the Exchange Trustee on behalf of the holders of the MaCS II – Series 1 has granted to MLI the right to exchange MaCS II – Series 1 for MLI Exchange Preferred Shares upon an Automatic Exchange. Pursuant to the Share Exchange Agreement, MLI has covenanted to take or refrain from taking certain actions so as to ensure that holders of MaCS II – Series 1 will receive the benefit of the Automatic Exchange, including obtaining the requisite approval of holders of the MaCS II – Series 1 for any amendments to the provisions of the MLI Exchange Preferred Shares (other than any amendments relating to the MLI Class 1 Shares as a class).

33. The MLI Exchange Preferred Shares will pay quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors of MLI, subject to the provisions of the ICA, at the Perpetual Preferred Share Rate, subject to any applicable withholding tax.

34. If the MaCS II – Series 1 have not been exchanged for MLI Exchange Preferred Shares pursuant to the Automatic Exchange, MLI will not, without the prior approval of the Superintendent and the prior approval of the holders of the MaCS II – Series 1, amend any terms attaching to the MLI Exchange Preferred Shares, provided that the prior approval of the holders of the MaCS II – Series 1 will not be required in the case of amendments relating to the MLI Class 1 Shares as a class.

35. The Preferred Share Guarantee applies to MLI Preferred Shares, including the MLI Class 1 Shares issuable upon a Deferral Event or an Automatic Exchange. In circumstances where MFC is not the subject of a winding-up order, the Preferred Share Guarantee entitles the holder of MLI Preferred Shares to receive payment from MFC within 15 days of any failure by MLI to pay a declared dividend or to pay the redemption price for such shares and, in the case of any amount remaining unpaid with respect to the preference of the MLI Preferred Shares upon a winding-up of MLI, within 15 days of the later of the date of the final distribution of property of MLI to its creditors and the date of the final distribution of surplus of MLI, if any, to its shareholders. In circumstances where MFC is the subject of a winding-up order, the Preferred Share Guarantee entitles the holder of MLI Preferred Shares to receive payment from MFC within 15 days of the determination of the final distribution of surplus of MFC, if any, to MFC's shareholders. Claims under the Preferred Share Guarantee are subordinate to all outstanding indebtedness and liabilities of MFC unless otherwise provided by the terms of the instrument creating or evidencing any such liability. In the event that a failure to pay declared dividends, the redemption price or the liquidation preference of MLI Preferred Shares occurs at a time when MFC is subject to a winding-up order, the Preferred Share Guarantee has been structured so that the amount payable by MFC under the Preferred Share Guarantee is subject to reduction such that the claims of holders of the respective class of MLI Preferred Shares under the Preferred Share Guarantee, in effect, rank equally with the claims of holders of the respective class of preferred shares of MFC to any surplus assets of MFC remaining for distribution. Otherwise the Preferred Share Guarantee would negatively impact the capital treatment of preferred shares of MLI for insurance regulatory purposes.

36. The MaCS II – Series 1 have been structured to achieve Tier 1 regulatory capital for purposes of the guidelines of the Superintendent.

37. The Trust may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the holders of the MaCS II – Series 1, redeem the MaCS II – Series 1, in whole or in part. The redemption price per $1,000 principal amount of MaCS II – Series 1 redeemed on any day that is not an Interest Reset Date in respect of the MaCS II – Series 1 will be equal to the greater of par and the Canada Yield Price, and the redemption price per $1,000 principal amount of MaCS II – Series 1 redeemed on any Interest Reset Date in respect of the MaCS II – Series 1 will be par, together in either case with accrued and unpaid interest to but excluding the date fixed for redemption, subject to any applicable withholding tax.

38. The Trust may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the holders of MaCS II – Series 1, redeem all (but not less than all) of the MaCS II – Series 1 upon the

occurrence of certain regulatory or tax events affecting MLI or the Trust. The redemption price per $1,000 principal amount of the MaCS II – Series 1 will be equal to par, together with accrued and unpaid interest to but excluding the date fixed for redemption, subject to any applicable withholding tax.

39. The MaCS II – Series 1 are direct unsecured obligations of the Trust, ranking at least equally with other subordinated indebtedness of the Trust from time to time issued and outstanding. In the event of the insolvency or winding-up of the Trust, the indebtedness evidenced by MaCS II – Series 1 issued by the Trust will be subordinate in right of payment to the prior payment in full of all other liabilities of the Trust except liabilities which by their terms rank in right of payment equally with or subordinate to indebtedness evidenced by such MaCS II – Series 1.

40. Neither MLI nor MFC will assign or otherwise transfer any of its obligations under the Share Exchange Agreement or the Assignment and Set-Off Agreement, except in the case of a merger, consolidation, amalgamation or reorganization or a sale of substantially all of the assets of MLI or MFC.

41. MLI has covenanted that all of the outstanding Voting Trust Units will be held at all times by MLI.

42. As long as any MaCS II – Series 1 are outstanding and held by any person other than MLI or any of its affiliates, the Trust may only be terminated with the approval of the holder of the Voting Trust Units and with the prior approval of the Superintendent. The holders of MaCS II – Series 1 will not be entitled to initiate proceedings for the termination of the Trust. So long as any MaCS II – Series 1 are outstanding and held by any person other than MLI or any of its affiliates, neither MLI nor MFC will approve the termination of the Trust unless the Trust has sufficient funds to pay the redemption price of the MaCS II – Series 1.

43. The MaCS II – Series 1 are non-voting except in certain limited circumstances set out in the MaCS II Declaration of Trust.

44. Pursuant to an administration agreement dated June 12, 2009, as amended and restated on July 10, 2009 and as it may be further amended and restated from time to time, entered into between the MaCS II Trustee and MLI, the MaCS II Trustee has delegated to MLI certain of its obligations in relation to the administration of the Trust. MLI, as administrative agent, at the request of the MaCS II Trustee, administers the day-to-day operations of the Trust and performs such other matters as may be requested by the MaCS II Trustee from time to time.

45. Due to the terms of the Trust Securities, the Share Exchange Agreement, the Assignment and Set-Off Agreement and the various covenants of MLI and MFC, and given that the Preferred Share Guarantee applies to the MLI Class 1 Shares issuable upon the occurrence of an Automatic Exchange or Deferral Event, information about the affairs and financial performance of MLI and MFC, as opposed to that of the Trust, is more meaningful to holders of MaCS II – Series 1. MFC's and MLI's filings provide holders of MaCS II – Series 1 and the general investing public with all information required in order to make an informed decision relating to an investment in MaCS II – Series 1. Information regarding MFC and MLI is relevant both to an investor's expectation of being paid the principal, interest and redemption price, if any, and any other amount on the MaCS II – Series 1 when due and payable.

46. The MLI Exchange Preferred Shares and the MLI Deferral Preferred Shares will be redeemable after specified dates, at the option of MLI and subject to regulatory approvals, by the payment of a cash amount. The MLI Exchange Preferred Shares and the MLI Deferral Preferred Shares are also convertible, in certain circumstances, into Resulting MLI Preferred Shares.

47. Apart from the right to receive the interest described herein, holders of MaCS II – Series 1 have no further right in the income of the Trust.

48. The Voting Trust Units entitle the holder thereof (i.e., MLI) to: (a) vote in respect of certain matters regarding the Trust; (b) receive the net distributable funds on all Eligible Trust Assets, if any, of the Trust remaining after discharge of the obligations of the Trust to creditors; (c) upon prior approval of the Superintendent, require the Trust to repurchase at any time all, or from time to time part, of the Voting Trust Units, provided that there are no outstanding MaCS II – Series 1 held by any person other than MLI or affiliates of MLI; and (d) in the event of a termination of the Trustee, receive the remaining property of the Trust after discharge of the obligations of the Trust to creditors.

Preferred Share Guarantee and Existing Subordinated Debt Guarantees

49. Since January 29, 2007, MFC has provided the Preferred Share Guarantee.

50. On each of February 17, 2012, February 25, 2013, November 29, 2013, February 21, 2014, December 1, 2014, March 10, 2015, June 1, 2015, July 1, 2015 and November 20, 2015, MFC entered into the Existing Subordinated Debt Guarantees in respect of the MLI Existing Subordinated Debentures. The Existing Subordinated Debt Guarantees

provide full and unconditional credit support in respect of the MLI Existing Subordinated Debentures and the MLI Existing Subordinated Debentures are designated credit support securities.

The MFC Guarantees

51. MFC has provided the Existing Subordinated Debt Guarantees, which results in holders of MLI Existing Subordinated Debentures being entitled to receive payment from MFC within 15 days of any failure by MLI to make a payment due under such debt securities.

52. MFC has provided the Preferred Share Guarantee. The amount payable under the Preferred Share Guarantee for any declared and unpaid dividends, Redemption Price and Liquidation Preference is limited so that the claims of holders of MLI Preferred Shares under the guarantee, in effect, rank equally with the claims of holders of the corresponding series of MFC Preferred Shares. To accomplish this, the Preferred Share Guarantee provides that if a Triggering Event occurs, MFC will pay the Deficiency Payment to MLI, in trust for the benefit of holders of MLI Preferred Shares outstanding as of the Triggering Event.

53. The Preferred Share Guarantee applies in respect of any MLI Preferred Shares outstanding from time to time, including the MLI Class 1 Shares issuable pursuant to the Automatic Exchange or a Deferral Event.

54. The Preferred Share Guarantee ranks subordinate to any and all outstanding liabilities of MFC unless otherwise provided by the terms of the instrument creating or evidencing any such liability. However, since the Preferred Share Guarantee is a debt obligation of MFC and therefore ranks ahead of the claims of holders of MFC Preferred Shares, the calculation of the amount payable under the Preferred Share Guarantee is subject to reduction so that, on the distribution of assets upon a winding-up of MFC, claims under the Preferred Share Guarantee effectively rank equally with the claims of holders of the MFC Preferred Shares. Otherwise, the Preferred Share Guarantee would negatively impact the capital treatment of the MLI Preferred Shares for insurance regulatory purposes.

55. In respect of any issued and outstanding MLI Subordinated Debentures (other than (i) debt securities issued to and held by MFC or its affiliates (as defined in NI 51-102), (ii) debt securities issued to the types of entities described in section 13.4(2)(c)(iii) of NI 51-102, and (iii) debt securities issued under exemptions from the prospectus requirement in section 2.35 of NI 45-106), MFC will provide a guarantee similar to the Existing Subordinated Debt Guarantees (referred to as the "**New Subordinated Debt Guarantees**"). The New Subordinated Debt Guarantees will provide full and unconditional credit support in respect of the MLI Subordinated Debentures and the MLI Subordinated Debentures will be designated credit support securities.

56. The New Subordinated Debt Guarantees and the Preferred Share Guarantee, as applicable, will be described in the prospectus or prospectus supplement filed by MLI in connection with a distribution of MLI Subordinated Debentures or MLI Preferred Shares.

Termination of Guarantees

57. Each of the MFC Guarantees will terminate (except in respect of any demand previously made on MFC thereunder) upon the earlier to occur of:

    (a) unless MFC and MLI agree to the contrary, the date that no MLI securities which are the subject of such guarantee (or securities or rights convertible into, exchangeable for or carrying rights to acquire such securities, including, in the case of the Preferred Share Guarantee, the MaCS II – Series 1) are outstanding;

    (b) the date that MFC no longer, directly or indirectly, owns all of the outstanding common shares of MLI;

    (c) the date that the relief contemplated by this decision is no longer available to MLI; or

    (d) the date MLI commences filing its own Continuous Disclosure Filings with the security regulatory authorities in each of the provinces and territories of Canada;

    provided that, MFC may not terminate the Preferred Share Guarantee in respect of any outstanding MLI Preferred Shares pursuant to clauses (b), (c) or (d) above at any time:

        (i) after the occurrence of an Automatic Exchange or a Deferral Event; or

        (ii) during a period when MLI has failed to make full payment of any dividend declared on any MLI Preferred Shares on the date required for such payment or has failed to make payment in full when

due of the Redemption Price and, in either case, such failure has not been remedied by payment of such amounts in full by MLI or MFC.

The Exemption Sought

58. The Exemption Sought is a renewal and combination of and supersedes the relief granted pursuant to the 2012 Order and the 2009 Order.

59. The Exemption Sought will extend the simplified approach currently utilized with respect to MFC's, MLI's, and the Trust's respective continuous disclosure obligations. The obligation to prepare and, where applicable, print and distribute, continuous disclosure materials for MLI and the Trust would be costly and time consuming.

60. As a result of the various covenants of MLI and MFC made in accordance with the Exemption Sought, information about the affairs and financial performance of MFC and MLI will continue to be made available to the holders of securities of MLI and the Trust and the general investing public. This information, as opposed to information solely related to MLI and the Trust, is more meaningful to holders of securities of MLI and the Trust and the general investing public, and will provide holders of securities of MLI and the Trust and the general investing public with all information required to make an informed decision relating to an investment in MLI and the Trust. This information will also be relevant to an investor's expectation of being paid the principal, interest, dividends and redemption prices, as applicable, and any other amounts paid of securities of MLI and the Trust.

Continuous Disclosure and Certification Exemptions of MLI

61. The MLI Continuous Disclosure Exemption is substantially similar to the relief available to "credit support issuers" under section 13.4(2) of NI 51-102. With the MFC Guarantees, MLI will satisfy each of the conditions of section 13.4(2) of NI 51-102, other than the requirements set out in section 13.4(2)(c).

62. The MLI Certification Exemption is substantially similar to the relief under section 8.5 of NI 52-109, which provides an exemption from the requirements of NI 52-109 for an issuer that qualifies for the relief contemplated by, and is in compliance with the requirements and conditions set out in, section 13.4(2) of NI 51-102.

63. Section 13.4(2)(c) of NI 51-102 requires that the credit support issuer not issue any securities and not have any securities outstanding, other than:

    (a) non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible into securities of the credit supporter (in each case, where the parent credit supporter has provided alternative credit support or a full and unconditional guarantee of the payments to be made by the credit support issuer that results in the holder of such securities being entitled to receive payment from the credit supporter or, in the case of alternative credit support, the credit support issuer, within 15 days of any failure by the credit support issuer to make a payment);

    (b) securities issued to and held by the parent credit supporter or an affiliate (as defined in NI 51-102) of the parent credit supporter;

    (c) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; or

    (d) securities issued under exemptions from the prospectus requirement in section 2.35 of NI 45-106.

64. The Preferred Share Guarantee is structured such that, in a circumstance where MLI fails to make payment of either declared dividends or the Redemption Price of MLI Preferred Shares when properly surrendered for redemption, or there exists insufficient assets to pay the Liquidation Preference upon the liquidation or winding-up of MLI, and at such time a winding-up order has been made in respect of MFC, payment of such amounts to holders of MLI Preferred Shares will not be made until the final distribution of surplus of MFC, if any, to shareholders of MFC pursuant to section 95(1) of the WURA. This provision of the Preferred Share Guarantee is necessary in order to preserve the appropriate priority of claims (i.e., so claims of the holders of MLI Preferred Shares under the Preferred Share Guarantee do not rank ahead of the claims of holders of MFC Preferred Shares by virtue of such claims crystallizing earlier). In circumstances where MFC is not the subject of a winding-up order, holders of MLI Preferred Shares will be entitled to payment from MFC within 15 days of the non-payment of dividends or of the non-payment of the Redemption Price of MLI Preferred Shares and, in the case of the Liquidation Preference, within 15 days of the later of: (i) the date of the final distribution of property of MLI to creditors pursuant to section 93 of the WURA; and (ii) the date of the final distribution of surplus of MLI, if any, to shareholders pursuant to section 95(1) of the WURA.

65. With the implementation of the MFC Guarantees, the only issued and outstanding securities of MLI that will not satisfy the conditions in section 13.4(2)(c) of NI 51-102 are the MLI Preferred Shares because the Preferred Share Guarantee is not a full and unconditional guarantee as required by the definition of "designated credit support securities" in section 13.4(1) of NI 51-102 for the following reasons:

    (a) if MFC is subject to a winding-up order under the WURA, holders of MLI Preferred Shares will not be entitled to payment from MFC under the Preferred Share Guarantee until the final distribution of surplus of MFC, if any, to MFC shareholders pursuant to section 95(1) of the WURA;

    (b) if MFC is subject to a winding-up order under the WURA, the payment by MFC to holders of MLI Preferred Shares under the Preferred Share Guarantee will be an amount that, when paid, will result in the holders of a class of MLI Preferred Shares receiving payment of the same proportion of the unpaid amounts on the class of MLI Preferred Shares as the holders of such shares would have received had their claim to such unpaid amounts on the final distribution of surplus of MFC under the WURA ranked on parity with the claims of the holders of the corresponding class of MFC Preferred Shares; and

    (c) if MLI is subject to a winding-up order under the WURA, holders of MLI Preferred Shares will not be entitled to payment from MFC under the Preferred Share Guarantee until the later of (i) the date of the final distribution of property of MLI to creditors pursuant to section 93 of the WURA, and (ii) the date of the final distribution of surplus of MLI, if any, to MLI shareholders pursuant to Section 95(1) of the WURA.

    In addition, MLI Preferred Shares that are convertible into Resulting MLI Preferred Shares will not satisfy the condition in section 13.4(2)(c) of NI 51-102 because such MLI Preferred Shares will not be non-convertible preferred shares as required by the definition of "designated credit support securities" in section 13.4(1) of NI 51-102.

Insider Reporting Exemption of MLI

66. Section 13.4(3) of NI 51-102 provides an exemption from the requirement to file an insider profile under NI 55-102 and from the Insider Reporting Requirements for an insider of a credit support issuer in respect of securities of the credit support issuer provided that certain conditions are satisfied. With the MFC Guarantees, MLI will satisfy each of the conditions of section 13.4(3) of NI 51-102, other than the requirement set out in section 13.4(3)(a), which requires MLI to comply with section 13.4(2)(c) of NI 51-102.

Prospectus Qualification Exemption and Prospectus Disclosure Exemption of MLI

67. The Prospectus Qualification Exemption is substantially similar to (i) the alternative qualification criteria for issuers of guaranteed non-convertible debt securities, preferred shares and cash settled derivatives under sections 2.4 of NI 44-101 and NI 44-102; and (ii) the alternative qualification criteria for issuers of guaranteed convertible debt securities or preferred shares under sections 2.5 of NI 44-101 and NI 44-102. With the MFC Guarantees, MLI will satisfy each of the conditions of sections 2.4 and 2.5 of NI 44-101 and NI 44-102, other than (i) the requirement set out in sections 2.4(1)(a) and 2.5(a) of NI 44-101 that the Preferred Share Guarantee be full and unconditional; and (ii) in connection with a distribution of rate reset MLI Preferred Shares, the requirement set out in section 2.4(1) of NI 44-101 that the MLI Preferred Shares be non-convertible.

68. The MLI Preferred Shares will not satisfy the conditions in sections 2.4(1)(a) and 2.5(a) of NI 44-101 because the Preferred Share Guarantee is not a full and unconditional guarantee as required for the reasons described in paragraph 65.

69. The Prospectus Disclosure Exemption is substantially similar to the relief available under section 13.2 of Form 44-101F1. With the Preferred Share Guarantee, MLI will satisfy each of the conditions of section 13.2 of Form 44-101F1, other than (i) the requirement set out in section 13.2(a) of Form 44-101F1; and (ii) in connection with a distribution of rate reset MLI Preferred Shares, the requirement set out in section 13.2(c) of Form 44-101F1. MLI will not satisfy the condition in section 13.2(a) of Form 44-101F1 because the Preferred Share Guarantee is not a full and unconditional guarantee as required for the reasons described in paragraph 65. In addition, in connection with a distribution of rate reset MLI Preferred Shares, MLI will not satisfy the condition in section 13.2(c) of Form 44-101F1 that the MLI Preferred Shares be non-convertible.

70. At the time of the filing of any short form prospectus or prospectus supplement in connection with offerings of MLI Preferred Shares:

    (a) the prospectus will be prepared in accordance with the short form prospectus requirements of NI 44-101 and, if applicable, NI 44-102, other than the Prospectus Disclosure Requirements, except as permitted by the Legislation;

(b) MLI will comply with all of the filing requirements and procedures set out in NI 44-101 and, if applicable, NI 44-102, other than the Prospectus Qualification Requirements, except as permitted by the Legislation;

(c) the prospectus will incorporate by reference the documents of MFC set forth under Item 11.1 of Form 44-101F1;

(d) the prospectus disclosure required by Item 11 (other than 11.1(1)(5) of Form 44-101F1 in respect of MLI) will be addressed by incorporating by reference MFC's public disclosure documents referred to in paragraph 70(c) above;

(e) MFC will satisfy all of the criteria in section 2.2 of NI 44-101 and MLI will satisfy the criteria in section 2.2 of NI 44-101 other than sections 2.2(c), (d) and (e); and

(f) MFC and MLI will comply with each condition of section 13.2 of Form 44-101F1 in effect as of the date of this decision, other than paragraphs 13.2(a) and (c).

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for it to make the decision.

The decision of the principal regulator under the Legislation is that the Continuous Disclosure Exemption be granted to MLI provided that:

(a) MFC and MLI continue to be regulated by OSFI;

(b) MFC continues to be the direct or indirect beneficial owner of all the issued and outstanding voting securities (as defined in the Legislation) of MLI;

(c) MFC and MLI remain reporting issuers or the equivalent thereof under the Legislation;

(d) MFC continues to provide the Existing Subordinated Debt Guarantees in respect of any MLI Existing Subordinated Debentures that are outstanding;

(e) MFC provides the New Subordinated Debt Guarantees in respect of any MLI Subordinated Debentures that are outstanding;

(f) MFC continues to provide the Preferred Share Guarantee in respect of the MLI Preferred Shares until such date as of which no MLI Preferred Shares (or securities or rights convertible or exchangeable for or carrying rights to acquire MLI Preferred Shares, including MaCS II – Series 1) are outstanding;

(g) MFC complies with the requirements of the Legislation and the requirements of the Toronto Stock Exchange in respect of making public disclosure of material information on a timely basis;

(h) MFC immediately issues in Canada and files any news release that discloses a material change in its affairs;

(i) MFC concurrently sends to all holders of MLI Existing Subordinated Debentures and MLI Subordinated Debentures all disclosure materials that are sent to holders of similar debt securities of MFC in the manner and at the time required by the Legislation and the Toronto Stock Exchange;

(j) MFC concurrently sends to all holders of MLI Preferred Shares and MaCS II – Series 1 all disclosure materials that are sent to holders of similar preferred shares of MFC in the manner and at the time required by the Legislation and the Toronto Stock Exchange;

(k) no person or company other than MFC provides a guarantee or alternative credit support (as defined in NI 51-102) for the payments to be made under any issued and outstanding securities of MLI;

(l) MFC files for the periods covered by any interim or annual consolidated financial statements of MFC (either as a standalone document or as part of such MFC financial statements), consolidating summary financial information for MFC presented with a separate column for each of the following: (i) MFC; (ii) MLI; (iii) any other subsidiaries of MFC on a combined basis; (iv) consolidating adjustments; and (v) the total consolidated amounts;

(m) MLI files a notice indicating that it is relying on the Continuous Disclosure Filings of MFC and setting out where those documents can be found for viewing in electronic format;

(n) MLI immediately issues in Canada a news release and files a material change report for all material changes in respect of the affairs of MLI that are not also material changes in the affairs of MFC;

(o) MLI files its annual financial statements (prepared in accordance with section 331 of the ICA) concurrently with the filing of such financial statements with the Superintendent in compliance with section 335 of the ICA;

(p) MLI does not issue any securities, and does not have any securities outstanding, other than: (i) designated credit support securities; (ii) securities issued to and held by MFC or an affiliate (as defined in NI 51-102) of MFC; (iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; (iv) securities issued under exemptions from the prospectus requirement in section 2.35 of NI 45-106; and (v) MLI Preferred Shares that are subject to the Preferred Share Guarantee;

(q) MFC and MLI continue to comply with each condition in section 13.4(2) of NI 51-102 in effect as of the date of this decision, other than the condition in paragraph 13.4(2)(c);

(r) such Continuous Disclosure Exemption will cease to apply three months after the coming into force of any substantive amendments to section 13.4(2) of NI 51-102 that materially adversely affect the Continuous Disclosure Exemption; and

(s) such Continuous Disclosure Exemption will cease to apply on January 15, 2022.

The further decision of the principal regulator under the Legislation is that the Continuous Disclosure Exemption be granted to the Trust provided that:

(a) MLI qualifies for the relief contemplated by, and MFC and MLI are in compliance with the requirements and conditions set out in MLI's Continuous Disclosure Exemption;

(b) for so long as any MaCS II – Series 1 are outstanding, MFC and MLI continue to provide the Dividend Stopper Undertaking;

(c) the Trust does not issue any securities, and does not have securities outstanding, other than: (i) MaCS II – Series 1, and (ii) Voting Trust Units;

(d) the Trust does not carry on any operating activity other than in connection with the administration and repayment of the Trust Securities;

(e) the Trust does not have any material assets other than the MLI Debenture, has minimal assets, operations, revenues or cash flows other than those related to the MLI Debenture or the issuance, administration and repayment of the Trust Securities and has no material liabilities other than the Credit Facility;

(f) the Trust files a notice indicating that it is relying on the Continuous Disclosure Filings of MFC and setting out where those documents can be found for viewing in electronic format;

(g) at any time that the Trust is not exempt from making such payment, the Trust pays all filing fees that would otherwise be payable by the Trust in connection with the filing of the continuous disclosure documents under NI 51-102;

(h) at any time MLI is not exempt from filing such documents, MLI concurrently sends to all holders of the MaCS II – Series 1 all disclosure materials that are sent to holders of MLI Preferred Shares in the manner and at the time required by the Legislation;

(i) the Trust immediately issues in Canada a news release and files a material change report for all material changes in respect of the affairs of the Trust that are not also material changes in the affairs of MLI or MFC;

(j) MLI, as holder of the Voting Trust Units, will not propose changes to the terms and conditions of any outstanding MaCS II – Series 1 that would result in MaCS II – Series 1 being exchangeable for securities other than MLI Exchange Preferred Shares;

(k) in any circumstances where the MaCS II – Series 1 are voting, the Trust will comply with Part 9 of NI 51-102;

(l) all of the outstanding Voting Trust Units are beneficially owned by MLI or any of its affiliates (as defined in NI 51-102) and all of the issued and outstanding voting shares of MLI or of its affiliates which own the Voting Trust Units are beneficially owned by MFC;

(m) (i) MaCS II – Series 1, including accrued and unpaid interest thereon, will be exchanged automatically, without the consent of the holder thereof, for MLI Exchange Preferred Shares pursuant to the Automatic Exchange upon the occurrence of a Loss Absorption Event; (ii) on each Interest Payment Date on which a Deferral Event has occurred in respect of a series of MaCS II – Series 1, holders of MaCS II – Series 1 will be required to invest interest payable on the MaCS II – Series 1 in MLI Deferral Preferred Shares; and (iii) the Preferred Share Guarantee applies to MLI Preferred Shares, including the MLI Class 1 Shares issuable upon a Deferral Event or an Automatic Exchange;

(n) such Continuous Disclosure Exemption will cease to apply three months after the coming into force of any substantive amendments to section 13.4(2) of NI 51-102 that materially adversely affect the Continuous Disclosure Exemption; and

(o) such Continuous Disclosure Exemption will cease to apply on January 15, 2022.

The further decision of the principal regulator is that the Certification Exemption be granted to MLI provided that:

(a) MLI qualifies for the relief contemplated by, and MFC and MLI are in compliance with the requirements and conditions set out in MLI's Continuous Disclosure Exemption;

(b) MLI and the Trust are not required to, and do not, file their own Annual Filings and Interim Filings; and

(c) such Certification Exemption will cease to apply on January 15, 2022.

The further decision of the principal regulator is that the Certification Exemption be granted to the Trust provided that:

(a) the Trust qualifies for the relief contemplated by, and MFC, MLI and the Trust are in compliance with the requirements and conditions set out in the Trust's Continuous Disclosure Exemption;

(b) the Trust is not required to, and does not, file its own Annual Filings and Interim Filings; and

(c) such Certification Exemption will cease to apply on January 15, 2022.

The further decision of the principal regulator is that the Insider Profile Exemption be granted to insiders of MLI provided that:

(a) MLI qualifies for the relief contemplated by, and MFC and MLI are in compliance with, the requirements and conditions set out in MLI's Continuous Disclosure Exemption;

(b) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning MFC before the material facts or material changes are generally disclosed;

(c) the insider is not an insider of MFC in any capacity other than by virtue of being an insider of MLI;

(d) if the insider is MFC, MFC does not beneficially own any designated credit support securities issued by MLI, MLI Existing Subordinated Debentures, MLI Subordinated Debentures, MLI Preferred Shares or MaCS II – Series 1; and

(e) such Insider Profile Exemption will cease to apply on January 15, 2022.

The decision of the principal regulator is that the Insider Reporting Exemption be granted to insiders of MLI provided that:

(a) MLI qualifies for the relief contemplated by, and MFC and MLI are in compliance with, the requirements and conditions set out in MLI's Continuous Disclosure Exemption;

(b) the insider qualifies for the relief contemplated by the Insider Profile Exemption; and

(c) such Insider Reporting Exemption will cease to apply on January 15, 2022.

The further decision of the principal regulator is that the Prospectus Qualification Exemption and Prospectus Disclosure Exemption be granted to MLI provided that:

(a) MLI qualifies for the relief contemplated by, and MFC and MLI are in compliance with the requirements and conditions set out in MLI's Continuous Disclosure Exemption;

(b) MLI and MFC, as applicable, comply with paragraph 70 above;

(c) any short form prospectus or prospectus supplement of MLI is in respect of an offering of MLI Preferred Shares that are subject to the Preferred Share Guarantee;

(d) on completion of any offering of MLI Preferred Shares, the MLI Preferred Shares are only convertible into Resulting MLI Preferred Shares or into securities of MFC;

(e) MLI includes in the short form prospectus or prospectus supplement for the periods covered by any interim or annual consolidated financial statements of MFC included in the short form prospectus or prospectus supplement consolidating summary financial information for MFC presented with a separate column for each of the following: (i) MFC; (ii) MLI; (iii) any other subsidiaries of MFC on a combined basis; (iv) consolidating adjustments; and (v) the total consolidated amounts;

(f) such Prospectus Qualification Exemption will cease to apply three months after the coming into force of any substantive amendments made to section 2.4 or 2.5 of NI 44-101 that materially adversely affect the Prospectus Qualification Exemption;

(g) such Prospectus Disclosure Exemption will cease to apply three months after the coming into force of any substantive amendments made to section 13.2 of Form 44-101F1 that materially adversely affect the Prospectus Disclosure Exemption; and

(h) such Prospectus Qualification Exemption and Prospectus Disclosure Exemption will cease to apply on January 15, 2022.

This decision shall expire 30 days after the date that a material adverse change occurs in the representations of MFC, MLI or the Trust in this decision.

The further decision of the principal regulator is that the 2012 Order and the 2009 Order are replaced by this decision.

As to the Exemption Sought (other than from the Insider Reporting Requirements in the Act).

"Sonny Randhawa"
Deputy Director, Corporate Finance
Ontario Securities Commission

As to the Exemption Sought from the Insider Reporting Requirements in the Act.

"Judith N. Robertson"
Commissioner
Ontario Securities Commission

"Garnet W. Fenn"
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 Michael Patrick Lathigee et al.

IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5

AND

IN THE MATTER OF
MICHAEL PATRICK LATHIGEE,
EARLE DOUGLAS PASQUILL,
IC REAL ESTATE PROJECTS LTD.,
FIC FORECLOSURE FUND LTD.
and WBIC CANADA LTD.

ORDER

WHEREAS:

1. On November 8, 2016, Staff ("Staff") of the Ontario Securities Commission (the "Commission") filed a Statement of Allegations seeking an order against Michael Patrick Lathigee ("Lathigee"), Earle Douglas Pasquill ("Pasquill"), FIC Real Estate Projects Ltd. ("FIC Projects"), FIC Foreclosure Fund Ltd. ("FIC Foreclosure") and WBIC Canada Ltd. ("WBIC") (collectively, the "Respondents"), pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the "Act");

2. On November 9, 2016, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting November 30, 2016 as the date of the hearing;

3. On November 30, 2016, the Commission held a hearing and heard the submissions of Staff, appearing in person, Lathigee, attending via teleconference, and who made submissions on his own behalf and for the corporate respondents, FIC Projects, FIC Foreclosure and WBIC; with no one appearing for Pasquill, although properly served as appears from the Affidavit of Lee Crann, sworn November 24, 2016;

4. On November 30, 2016, the Commission adjourned the hearing in this matter to January 12, 2017 at 10:00 a.m.;

5. On January 12, 2017, Staff and counsel for Lathigee appeared before the Commission and made submissions;

6. Lathigee attended the hearing via teleconference, and made submissions on behalf of the corporate respondents, FIC Projects, FIC Foreclosure and WBIC;

7. Pasquill did not appear or make submissions; and

8. The Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED THAT:

1. Staff's application to continue this proceeding by way of a written hearing is granted;

2. Staff's materials shall be served and filed no later than January 23, 2017;

3. The Respondents' responding materials, if any, shall be served and filed no later than March 13, 2017; and

4. Staff's reply materials, if any, shall be served and filed no later than March 27, 2017.

DATED at Toronto this 12th day of January, 2017.

"D. Grant Vingoe"
Vice Chair

2.2.2 GuestLogix Inc. – s. 144

Headnote

Section 144 – application for full revocation of cease trade order – issuer cease traded due to failure to file with the Commission annual financial statements – issuer has made a separate application to not be a reporting issuer in all of the jurisdictions in which it is currently a reporting issuer – full revocation granted effective as of the date the issuer is determined to not be a reporting issuer.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(the Act)

AND

IN THE MATTER OF
GUESTLOGIX INC.

ORDER
(Section 144 of the Act)

WHEREAS the securities of GuestLogix Inc. (the **Filer**) are subject to a cease trade order issued by the Director on April 5, 2016 pursuant to subsection 127(1) of the Act (the **Ontario CTO**), directing that all trading in the securities of the Filer cease until further order by the Director;

AND WHEREAS pursuant to section 144 of the Act, the Ontario CTO was partially revoked on September 16, 2016 solely to permit trades in securities of the Filer in connection with a restructuring transaction (the **Transaction**) contemplated under a plan of compromise and arrangement (the **Plan**) pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the **CCAA**);

AND WHEREAS the Filer has applied to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 144 of the Act (the **Application**) for a full revocation of the Ontario CTO.

AND WHEREAS the Filer has represented to the Commission that:

1. The Filer was incorporated under the *Business Corporations Act* (Ontario) on August 1, 2007.

2. The Filer's head office and registered office is located at 111 Peter Street, Suite 302. Toronto, Ontario M5V 2H1.

3. The Filer is a reporting issuer in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland (collectively, the **Reporting Jurisdictions**).

4. In light of difficult financial circumstances, the Filer was unable to obtain additional financing to repay amounts owing on its loan obligations and there was no reasonable expectation that the Filer's financial condition would improve without a deleveraging of its capital structure. The Filer was, therefore, insolvent and determined that it was in the best interests of the Filer and its stakeholders to file for protection under the CCAA.

5. On February 9, 2016, the Filer was granted protection from its creditors under the CCAA pursuant to an initial order (as amended and restated, the **Initial Order**) granted by the Ontario Superior Court of Justice (Commercial List) (the **Court**). PricewaterhouseCoopers Inc. was appointed as CCAA monitor of the Filer pursuant to the Initial Order. All proceedings against the Filer were stayed pursuant to the Initial Order.

6. On March 18, 2016, the Filer's common shares and 7% extendible convertible unsecured subordinated debentures (**Convertible Debentures**) were delisted from trading on the Toronto Stock Exchange. As a result, no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

7. On June 30, 2016, the Filer entered into a transaction agreement (the **Transaction Agreement**) with GXI Acquisition Corp. (the **Sponsor**) providing for, *inter alia*, the acquisition of the Filer by the Sponsor through the subscription for 100% of the equity of the Filer in accordance with the terms and conditions of the Transaction Agreement under the Plan.

8. The Sponsor is at arms-length to the Filer. The Sponsor and its shareholders are not related parties of the Filer and its shareholders.

9. The Ontario CTO was issued due to the failure of the Filer to file its annual information form, audited annual financial statements, related management's discussion and analysis and certifications for the year ended December 31, 2015 (collectively, the **Annual Filings**).

10. The Filer is not in default of any of its obligations as a reporting issuer, other than the obligation to file the Annual Filings which were required to be filed on March 31, 2016 and the obligation to file interim unaudited financial statements, interim management's discussion and analysis and certification of interim filings for the interim periods ended March 31, 2016, June 30, 2016 and September 30, 2016 which were required to be filed on May 15, 2016, August 14, 2016 and November 14, 2016, respectively, all of which

became due after the Filer filed for CCAA protection.

11. The Filer is also subject to a cease trade order (the **Manitoba Cease Trade Order**) dated April 21, 2016 from the Manitoba Securities Commission (the MSC) for failure to file audited annual financial statements, related management's discussion and analysis and certifications for the year ended December 31, 2015. The Filer has applied for and expects to be granted concurrently with this revocation order, full revocation of the Manitoba Cease Trade Order. Other than the Ontario CTO and the Manitoba Cease Trade Order, the Filer is not subject to any other cease trade orders.

12. On September 16, 2016, the Filer received partial revocation orders (collectively, the **Partial Revocation Orders**) from the Commission and the MSC, which issued the Manitoba Cease Trade Order, to enable the Filer to undertake and complete the following trades, steps and actions in connection with the Plan and the Transaction:

    (a) the subscription by the Sponsor for newly created common shares in the capital of the Filer (the **New Common Shares**) for cash consideration and the issuance of the New Common Shares to the Sponsor in consideration of such payment under section 2.11(a) of National Instrument 45-106 Prospectus Exemptions;

    (b) the consolidation of the issued and outstanding common shares (including the New Common Shares) on the basis of a consolidation ratio pursuant to the Plan and the cancellation of any fractional common shares immediately following the consolidation without any liability, payment or other compensation or any other right in respect thereof (the **Common Share Consolidation**);

    (c) the compromise and extinguishment of all claims of the Filer's unsecured creditors, including holders of the Filer's Convertible Debentures, in exchange for a proportionate distribution of the remainder of the cash pool available under the Plan, calculated with reference to the amounts of their respective unsecured claims; and

    (d) the cancellation of all other securities of the Filer, other than the New Common Shares remaining after the Common Share Consolidation, for no consideration and without any vote or approval by the holders of such equity securities.

13. The Filer has satisfied every condition of the Partial Revocation Orders.

14. On August 3, 2016, the Court granted a Meeting order, *inter alia*, accepting the Plan for filing and scheduling a meeting of the unsecured creditors of the Filer to consider and vote on the Plan (the **Meeting**).

15. On September 2, 2016, the Meeting was held and the unsecured creditors voted unanimously in favour of the Plan. The Filer obtained an order of the Court sanctioning and approving the Plan on September 12, 2016 (the **Sanction Order**).

16. The closing of the Transaction contemplated by the Plan has taken place in accordance with the Sanction Order and, effective September 21, 2016, the Filer became a wholly-owned subsidiary of the Sponsor and the only outstanding securities of the Filer are held by the Sponsor. The Filer has no other outstanding securities (including debt securities).

17. As a result of the completion of the Transaction, the Filer has fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total worldwide.

18. The Filer has applied for and expects to be granted concurrently with this full revocation order, a decision that the Filer has ceased to be a reporting issuer in each of the Reporting Jurisdictions. If that decision is granted, the Filer will not be a reporting issuer in any jurisdiction in Canada.

19. The Sponsor has consented to the Filer making this Application.

AND UPON considering the Application and the recommendation of the staff of the Commission;

AND UPON the Director being satisfied to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario CTO is fully revoked as of the date on which the Filer ceases to be a reporting issuer under the Act.

DATED this 17th day of January, 2017.

"Sonny Randhawa"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.2.3 GuestLogix Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – application for a decision that the issuer is not a reporting issuer under applicable securities laws – issuer in default of its obligation to file and deliver its annual and interim financial statements and related management's discussion and analysis – requested relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).
National Policy 11-206 Process for Cease to be a Reporting Issuer Applications.

January 17, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
GUESTLOGIX INC.
(the Filer)

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

(a) the Ontario Securities Commission (the **OSC**) is the principal regulator for this application; and

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. The Filer was incorporated under the *Business Corporations Act* (Ontario) on August 1, 2007.

2. The Filer's head office and registered office is located at 111 Peter Street, Suite 302. Toronto, Ontario M5V 2H1.

3. The Filer is a reporting issuer in each of the Provinces of British Columbia, Alberta, Saskatchewan, Ontario, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. The Filer is not a reporting issuer in any other jurisdiction in Canada.

4. On February 9, 2016, the Filer was granted protection from its creditors under the *Companies' Creditors Arrangement Act* (Canada) (the **CCAA**) pursuant to an initial order (as amended and restated, the **Initial Order**) granted by the Ontario Superior Court of Justice (Commercial List) (the **Court**). PricewaterhouseCoopers Inc. was appointed as CCAA monitor of the Filer pursuant to the Initial Order. All proceedings against the Filer were stayed pursuant to the Initial Order, the purpose of which was to allow the Filer time to solicit and implement a Court approved CCAA plan of compromise and arrangement (the **Plan**).

5. On March 18, 2016, the Filer had its former common shares and 7% extendible convertible unsecured subordinated debentures delisted from trading on the Toronto Stock Exchange.

6. On June 30, 2016, the Filer entered into a transaction agreement with GXI Acquisition Corp. (the **Sponsor**) to conclude a process under the Plan that includes taking the Filer private.

7. On August 3, 2016, the Court granted a Meeting order, *inter alia*, accepting the Plan for filing and scheduling a meeting of the unsecured creditors of the Filer to consider and vote on the Plan (the **Meeting**).

8. On September 2, 2016 the Meeting was held and the unsecured creditors voted unanimously in favour of the Plan. The Filer obtained an order of the Court sanctioning and approving the Plan on September 12, 2016 (the **Sanction Order**).

9. The Filer completed the following trades, steps and actions in connection with the Plan:

a. the subscription by the Sponsor for newly created common shares in the capital of the Filer (the **New Common Shares**) for cash consideration and the issuance of the New Common Shares to the Sponsor in consideration of such payment under section 2.11(a) of National Instrument 45-106 *Prospectus Exemptions*;

b. the consolidation of the issued and outstanding common shares (including the New Common Shares) on the basis of a consolidation ratio pursuant to the Plan and the cancellation of any fractional common shares immediately following the consolidation without any liability, payment or other compensation or any other right in respect thereof (the **Common Share Consolidation**);

c. the compromise and extinguishment of all claims of the Filer's unsecured creditors in exchange for a proportionate distribution of the remainder of the cash pool available under the Plan, calculated with reference to the amounts of their respective unsecured claims; and

d. the cancellation of all other securities of the Filer, other than the New Common Shares remaining after the Common Share Consolidation, for no consideration and without any vote or approval by the holders of such equity securities.

10. On September 21, 2016, upon implementation of the Plan in accordance with the Sanction Order, the Filer became a wholly-owned subsidiary of the Sponsor and the only outstanding securities of the Filer are held by the Sponsor. The Filer has no other outstanding securities (including debt securities).

11. Accordingly, the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total worldwide.

12. No securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.

13. The Filer has no current intention to seek public financing by way of an offering of its securities in any jurisdiction in Canada.

14. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.

15. The Filer is not in default of any of its obligations as a reporting issuer, other than: (a) the obligation to file its annual information form, annual audited financial statements, management's discussion and analysis and certification of annual filings for the year ended December 31, 2015 which were required to be filed on March 31, 2016; and (b) the obligation to file interim unaudited financial statements, interim management's discussion and analysis and certification of interim filings for the interim periods ended March 31, 2016, June 30, 2016 and September 30, 2016 which were required to be filed on May 15, 2016, August 14, 2016 and November 14, 2016, respectively (collectively, the **Filings**), all of which became due after the Filer filed for CCAA protection.

16. The Filer is currently subject to a cease trade order dated April 5, 2016 issued by the OSC (the **Ontario CTO**) for failure to file its annual information form, audited annual financial statements, related management's discussion and analysis and certifications for the year ended December 31, 2015 and a cease trade order dated April 21, 2016 issued by the Manitoba Securities Commission (the **Manitoba CTO**) for failure to file audited annual financial statements, related management's discussion and analysis and certifications for the year ended December 31, 2015. On September 16, 2016 the Filer was granted a partial revocation of the Ontario CTO and the Manitoba CTO to effect the transactions contemplated by the Plan. The Ontario CTO and the Manitoba CTO will be fully revoked concurrently upon the granting of the Order Sought.

17. The Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as it is in default for failure to file the Filings.

18. The Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer.

19. Upon the granting of the Order Sought, the Filer will not be a reporting issuer in any jurisdiction in Canada.

Order

The principal regulator is satisfied that the order meets the test set out in the Legislation for the principal regulator to make the order.

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Judith Robertson"
Commissioner
Ontario Securities Commission

2.2.4 Lance Kotton and Titan Equity Group Ltd.

**IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5**

AND

**IN THE MATTER OF
LANCE KOTTON and
TITAN EQUITY GROUP LTD.**

ORDER

WHEREAS:

1. on November 6, 2015, the Ontario Securities Commission (the "Commission") ordered pursuant to subsections 127(1) and (5) of the *Securities Act*, RSO 1990, c S.5 (the "Act"), that:

   (a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Lance Kotton ("Kotton") and Titan Equity Group Ltd. ("TEG" and, together with Kotton, the "Respondents") shall cease; and

   (b) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents

   (the "Temporary Order");

2. the Commission further ordered that the Temporary Order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Commission;

3. on November 9, 2015, the Commission issued a Notice of Hearing providing notice that it would hold a hearing on November 19, 2015, to consider whether, pursuant to subsections 127(7) and 127(8) of the Act, it was in the public interest for the Commission to extend the Temporary Order until the conclusion of the hearing or until such further time as considered necessary by the Commission, and to make such further orders as the Commission considered appropriate;

4. the Respondents consented to an extension of the Temporary Order until December 17, 2015, which order was further extended on consent until November 21, 2016;

5. on November 18, 2016, Staff of the Commission ("Staff") appeared before the Commission requesting that the Temporary Order be extended until April 21, 2017 and made submissions, with no one appearing for the Respondents (the "Extension Request");

6. On December 7, 2016, the Commission issued its Reasons and Decision on the Extension Request and extended the Temporary Order until February 7, 2017; and

7. Staff is seeking a further extension of the Temporary Order as against Lance Kotton;

IT IS ORDERED that Staff's request for a further extension of the Temporary Order will be heard at the offices of the Commission located at 20 Queen Street West, Toronto, Ontario, on February 6, 2017 at 10:00 a.m. or as soon thereafter as the hearing can be held.

DATED at Toronto, Ontario this 20th day of January, 2017.

"Timothy Moseley"

2.2.5 AAOption et al.

IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5

AND

IN THE MATTER OF
AAOPTION,
GALAXY INTERNATIONAL SOLUTIONS LTD.
and DAVID ESHEL

ORDER

WHEREAS:

1. On October 26, 2016, Staff ("**Staff**") of the Ontario Securities Commission (the "**Commission**") filed a Statement of Allegations seeking an order against AAOption, Galaxy International Solutions Ltd. and David Eshel (collectively, the "**Respondents**"), pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5;

2. On October 28, 2016, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting November 23, 2016 as the date of the hearing;

3. On November 16, 2016, Staff filed an affidavit of service sworn by Lee Crann on the same day, describing steps taken by Staff to serve the Respondents with the Notice of Hearing, Statement of Allegations and Staff's disclosure materials;

4. On November 23, 2016, Staff appeared before the Commission and made submissions, the Respondents did not appear or make submissions, and the hearing in this matter was adjourned to December 7, 2016;

5. On December 1, 2016, Staff filed a supplementary affidavit of service sworn by Lee Crann on the same day, describing further steps taken by Staff to serve David Eshel with the Notice of Hearing, Statement of Allegations and Staff's disclosure materials;

6. On December 7, 2016, Staff appeared before the Commission and made submissions, the Respondents did not appear or make submissions, and the hearing in this matter was adjourned to January 19, 2017;

7. On January 16, 2017, Staff filed an affidavit of service sworn by Lee Crann the same day, describing further steps taken by Staff to serve David Eshel with the Notice of Hearing, Statement of Allegations, Staff's disclosure materials, and copies of the Commission's previous Orders in this matter; and

8. On January 19, 2017,

   a. Staff appeared before the Commission, made submissions and applied to continue this proceeding by way of a written hearing, in accordance with Rule 11.5 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168, and subsection 5.1(1) of the *Statutory Powers Procedure Act*, RSO 1990, c S.22; and

   b. the Respondents did not appear or make submissions, although properly served;

IT IS ORDERED THAT:

1. Staff's application to continue this proceeding by way of a written hearing is granted;

2. Staff's materials shall be served and filed no later than January 30, 2017;

3. The Respondents' responding materials, if any, shall be served and filed no later than February 27, 2017; and

4. Staff's reply materials, if any, shall be served and file no later than March 13, 2017.

DATED at Toronto this 20th day of January, 2017.

"Monica Kowal"
Vice-Chair

2.2.6 Inovio Pharmaceuticals, Inc.

Headnote

Section 1(10)(a)(ii) of the Securities Act (Ontario) – National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application by a reporting issuer for an order that it is not a reporting issuer – The issuer's securities are traded only on a market or exchange outside of Canada – Canadian residents own less than 2% of the issuer's securities and represent less than 2% of the issuer's total number of security holders – The issuer does not intend to do a public offering of its securities to Canadian residents – The issuer will not be a reporting issuer in a Canadian jurisdiction – The issuer is subject to the reporting requirements of US securities laws, and all shareholders receive the same disclosure.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).
National Policy 11-206 Process for Cease to be a Reporting Issuer Applications.

January 17, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
INOVIO PHARMACEUTICALS, INC.
(the Filer)

ORDER

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

(a) the British Columbia Securities Commission is the principal regulator for this application; and

(b) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this order, unless otherwise defined.

Representations

3 This order is based on the following facts represented by the Filer:

1. the Filer is a "reporting issuer" in the Jurisdictions;

2. the Filer's initial predecessor entity, Biotechnologies & Experimental Research, Inc., was incorporated under the laws of the State of California in 1983, and underwent corporate and name changes in subsequent years;

from April 14, 1994 until voluntary delisting on March 6, 1998, shares of a predecessor entity, Genetronics Biomedical Ltd., were listed on the Vancouver Stock Exchange, and from September 2, 1997 until voluntary delisting on January 17, 2003 on the Toronto Stock Exchange; on December 8, 1998, Genetronics Biomedical Ltd. listed on the American Stock Exchange (NYSE MKT);

3. on September 4, 2014, Inovio Pharmaceuticals, Inc. provided notice to the NYSE MKT that it would voluntarily transfer the listing of its common shares, par value $0.001 per share, from the NYSE MKT to the NASDAQ; the Filer's common shares were approved for listing on the NASDAQ and began trading on the NASDAQ on September 15, 2014;

4. the Filer is subject to the reporting obligations of the Securities and Exchange Commission of the United States (SEC);

5. the Filer is not in default of any of the requirements of securities legislation in any jurisdiction in Canada, the requirements of the SEC or the NASDAQ, or any other securities or corporate legislation to which it is subject;

6. the head office of the Filer is located at 660 W. Germantown Pike, Suite 110, Plymouth Meeting, Pennsylvania, 19462;

7. the Filer is authorized to issue up to 600,000,000 common shares, and up to 10,000,000 preferred shares, of which 73,966,730 common shares and 23 preferred shares are outstanding as of September 30, 2016;

8. as of September 30, 2016, there are

   (a) 6,747,961 options outstanding to purchase 6,747,961 common shares of the Filer and there are no options outstanding to purchase preferred shares of the Filer;

   (b) 284,091 warrants outstanding to purchase 284,091 common shares of the Filer and 0 warrants outstanding to purchase preferred shares of the Filer;

   (c) 771,335 restricted stock units of the Filer outstanding entitling the holders thereof to a maximum of 771,335 common shares of the Filer; payments to the holders of the restricted stock units can be made in the form of common shares, or cash or a combination of both, as the compensation committee for the Filer may determine;

9. no securities of the Filer, including debt securities, are traded in Canada on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

10. in the 12 months before the date the Filer applied for the Order Sought, the Filer has not taken any steps that indicate there is a market for its securities in Canada; in particular, since delisting from the Toronto Stock Exchange in 2003, the Filer has not conducted a prospectus offering in Canada, established or maintained a listing on an exchange in Canada;

11. based upon a review of its corporate records and the websites of each of the British Columbia Securities Commission and the Ontario Securities Commission, since January 17, 2003, the only distributions of the Filer's securities in Canada have been to employees of the Filer and its affiliates under the employee prospectus exemption under section 2.24 of National Instrument 45-106 *Prospectus and Registration Exemptions* as part of the Filer's 2007 Omnibus Incentive Plan, as amended;

12. the Filer does not currently anticipate offering its securities in Canada at any time in the future;

13. the Filer qualifies as a “SEC foreign issuer” under National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (NI 71-102) and has relied on and complied with the exemptions from Canadian continuous disclosure requirements under Part 4 of NI 71-102;

14. the Filer has provided an undertaking to concurrently deliver to any securityholders resident in Canada all disclosure material required by the securities laws of the United States, the SEC or the NASDAQ requirements to be delivered to securityholders resident in the United States;

15. all public documents of the Filer are available on the Filer's EDGAR profile under the filings section of the SEC website (www.sec.gov);

16. the Filer has provided advance notice to Canadian resident securityholders in a press release dated November 25, 2016, that it has applied to the Decision Makers for an order that it is not a reporting issuer in Canada and, if that order is granted, the Filer will no longer be a reporting issuer in any jurisdiction in Canada;

17. the Filer retained Computershare Trust Company of Canada (Computershare), its transfer agent, and Broadridge Financial Solutions Inc. (Broadridge) to prepare geographical analysis reports providing a breakdown of beneficial holders of securities of the Filer resident in Canada;

18. the reports provided by Computershare and Broadridge, together, each dated as of March 18, 2016, provide that there are:

    (a) a total of 72,224,025 common shares outstanding worldwide;

    (b) 132,292 common shares are directly or indirectly beneficially owned by residents in Canada; and

    (c) a total of 47,144 shareholders of the Filer worldwide, of which 54 are residents in Canada;

19. based upon these searches conducted by Computershare and Broadridge:

    (a) there are a total of 54 shareholders in Canada beneficially owning an aggregate of 132,292 common shares;

    (b) there are a total of 72,224,025 common shares outstanding worldwide, of which residents in Canada directly or indirectly beneficially own 132,292 common shares; and

    (c) on an aggregate basis, the Canadian shareholdings represent 0.11% of the Filer's shareholders and 0.18% of its issued and outstanding listed securities worldwide;

20. based on the Filer's review of its records and transaction reports relating to the offering of the Filer's securities since March 18, 2016, the number of shareholders in Canada and the number of common shares held by residents of Canada as of the date the Filer applied for the Order Sought are not substantially different than those figures contained in the respective reports provided by Computershare and Broadridge on March 18, 2016;

21. residents of Canada do not, directly or indirectly:

    (a) beneficially own more than 2% of each class or series of outstanding securities (including debt securities) of the Filer worldwide; and

    (b) comprise more than 2% of the total number of securityholders of the Filer worldwide;

22. in addition, residents of Canada beneficially own 146,125 options to purchase common shares and 8,000 restricted stock units; if fully exercised, these securities will entitle residents of Canada to beneficially own an additional 154,125 common shares; on this basis, if fully exercised, residents of Canada would beneficially own 0.39% of the outstanding common shares of the Filer;

23. the Filer is not eligible for the simplified procedure set out in National Instrument 11-206 *Process for Cease to be a Reporting Issuer Applications* because the Filer's outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by more than 15 securityholders in each of the jurisdictions of Canada and more than 51 securityholders in total worldwide;

24. the Filer is not eligible to surrender its status as a reporting issuer in British Columbia under British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because it is not a "closely held reporting issuer" within the meaning of that instrument, because it is not a reporting issuer in British Columbia only, its outstanding securities are beneficially owned, directly or indirectly, by more than 50 persons and its securities are traded through or quoted on an exchange, namely, the NASDAQ; and

25. the Filer will not be a reporting issuer in any jurisdiction of Canada immediately following the granting of the Order Sought.

Order

4 Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

"Peter J. Brady"
Executive Director
British Columbia Securities Commission

2.2.7 Danish Akhtar Soleja et al.

IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5

AND

IN THE MATTER OF
DANISH AKHTAR SOLEJA,
DANSOL INTERNATIONAL INC.,
GRAPHITE FINANCE INC.,
PARKVIEW LIMITED PARTNERSHIP,
and 1476634 ALBERTA LTD.

ORDER

WHEREAS:

1. On December 14, 2016, Staff ("Staff") of the Ontario Securities Commission (the "Commission") filed a Statement of Allegations seeking an order against Danish Akhtar Soleja ("Soleja"), Dansol International Inc. ("Dansol"), Graphite Finance Inc. ("Graphite"), Parkview Limited Partnership ("Parkview LP") and 1476634 Alberta Ltd. ("1476 Ltd.") (collectively, the "Respondents"), pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the "Act");

2. On December 19, 2016, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting January 23, 2017 as the date of the hearing;

3. A search of the Government of Alberta's Corporate Registration System lists Graphite's legal entity status as struck as of August 2, 2015, though Soleja, as the former sole director of Graphite, continues to represent the company;

4. At the hearing on January 23, 2017:

   a. Staff appeared before the Commission and made submissions;

   b. the Respondents did not appear or make submissions, although properly served as appears from the Affidavit of Lee Crann sworn January 20, 2017; and

   c. Staff applied to continue this proceeding by way of a written hearing, in accordance with Rule 11.5 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168, and subsection 5.1(1) of the *Statutory Powers Procedure Act*, RSO 1990, c S.22; and

5. The Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED THAT:

(a) Staff's application to continue this proceeding by way of a written hearing is granted;

(b) Staff's materials shall be served and filed no later than February 2, 2017;

(c) the Respondents' responding materials, if any, shall be served and filed no later than March 2, 2017; and

(d) Staff's reply materials, if applicable, shall be served and filed no later than March 16, 2017.

DATED at Toronto this 23rd day of January, 2017.

"D. Grant Vingoe"
Vice-Chair

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 CIBC World Markets Inc. et al. – ss. 127(1), 127(2)

[Editor's note: These reasons were accompanied by a Notice from the Office of the Secretary, an Order and a Settlement Agreement. The Notice was published at (2016), 39 OSCB 9043, and the Order and Settlement Agreement were published at (2016), 39 OSCB 9088, in the November 3, 2016 issue of the Bulletin. The Reasons were not published in that issue and now appear here.]

IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5

AND

IN THE MATTER OF
CIBC WORLD MARKETS INC.,
CIBC INVESTOR SERVICES INC.
AND CIBC SECURITIES INC.

REASONS AND DECISION
(Subsections 127(1) and 127(2) of the Securities Act)

Hearing:	October 28, 2016		
Decision:	October 28, 2016		
Panel:	Alan Lenczner, Q.C.	–	Chair of the Panel and Commissioner
	Christopher Portner	–	Commissioner
	AnneMarie Ryan	–	Commissioner
Appearances:	Michelle Vaillancourt Yvonne Chisholm	–	For Staff of the Commission
	James C. Tory	–	For CIBC World Markets Inc., CIBC Investor Services Inc. and CIBC Securities Inc.

REASONS AND DECISION

1. CIBC World Markets Inc. ("**CIBC WMI**")[1] and CIBC Investor Services Inc. ("**CIBC ISI**")[2] are each registered with the Ontario Securities Commission (the "**Commission**") as investment dealers. CIBC Securities Inc. is registered with the Commission as a mutual fund dealer. Each of CIBC World Markets Inc., CIBC Investor Services Inc. and CIBC Securities Inc. (collectively, the "**CIBC Dealers**") are subsidiaries of the Canadian Imperial Bank of Commerce ("**CIBC**").

2. Commencing in March 2015, the CIBC Dealers self-reported to Staff of the Commission ("**Staff**") inadequacies in their systems of controls and supervision which formed part of their compliance systems (the "**Control and Supervision Inadequacies**"). The Control and Supervision Inadequacies resulted in certain clients paying, directly or indirectly, excess fees that were not detected or corrected by the CIBC Dealers in a timely manner.

3. In the summary of the Control and Supervision Inadequacies set out in Staff's Statement of Allegations dated October 25, 2016, Staff allege that:

[1] References to CIBC WMI in these Reasons are restricted to its retail brokerage division, CIBC Wood Gundy.

[2] References to CIBC ISI in these Reasons are restricted to accounts related to its advisory brokerage division, CIBC Imperial Investor Services.

(a) For some CIBC WMI clients with fee-based accounts, certain non-exchange traded mutual funds and structured notes with embedded trailer fees held in fee-based accounts were incorrectly included in account fee calculations, resulting in some clients paying excess fees during the period (i) January 1, 2002 to January 31, 2016, for mutual funds; and (ii) January 1, 2006 to January 31, 2016, for structured notes;

(b) For some CIBC WMI clients with fee-based accounts, assets held in their fee-based accounts included certain exchange traded funds with embedded trailer fees, resulting in some clients paying excess fees because CIBC WMI received trailer fees during the period January 1, 2006 to January 31, 2016 in addition to the account fee;

(c) For some CIBC WMI clients with fee-based accounts, assets held in their fee-based accounts included certain closed-end funds with embedded trailer fees, resulting in some clients paying excess fees because CIBC WMI received trailer fees during the period January 1, 2006 to January 31, 2016 in addition to the account fee; and

(d) Beginning in August 2006, some clients of the CIBC Dealers were not advised that they qualified for a lower management expense ratio ("**MER**") class of an MER differential fund and indirectly paid excess fees when they invested in the higher MER class of the same mutual fund.

4. Staff allege that, in respect of the Control and Supervision Inadequacies, the CIBC Dealers failed to establish, maintain and apply procedures to establish controls and supervision:

(a) Sufficient to provide reasonable assurance that the CIBC Dealers, and each individual acting on behalf of the CIBC Dealers, complied with securities legislation, including the requirement to deal fairly with clients with regard to fees;

(b) That were reasonably likely to identify the non-compliance described in paragraph 4(a) above at an early stage and that would have allowed the CIBC Dealers to correct the non-compliant conduct in a timely manner; and

as a result, the Control and Supervision Inadequacies, constituted a breach of section 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and the failures in the CIBC Dealers' systems of controls and supervision associated with the Control and Supervision Inadequacies were contrary to the public interest.

5. Staff and the CIBC Dealers entered into a settlement agreement dated October 24, 2016 (the "**Settlement Agreement**"), which is before us today. The CIBC Dealers neither admit nor deny the accuracy of the facts alleged by, or the conclusions of, Staff, which are summarized in the Settlement Agreement.

6. The Panel must determine whether it would be in the public interest to approve the Settlement Agreement, which is intended to resolve and dispose of the current proceeding. In doing so, the Panel must take into account the mandate of the Commission set out in section 1 of the *Securities Act*, RSO 1990, c S.5 (the "**Act**"), which is to protect investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in those markets.

7. In determining whether it would be in the public interest to approve the Settlement Agreement, the Panel held a confidential settlement conference with Staff and the CIBC Dealers for the purpose of assessing (i) the assertion of Staff in the Settlement Agreement that the CIBC Dealers have implemented changes to their systems of internal controls and supervision to address the Control and Supervision Inadequacies; and (ii) the terms of the draft compensation plan submitted by the CIBC Dealers (the "**Compensation Plan**").

8. The Compensation Plan provides for:

(a) Payment to the current and former clients who were harmed by the Control and Supervision Inadequacies (the "**Affected Clients**") of (i) the excess fees they paid, subject to a *de minimis* exception of $25, which will not be paid; and (ii) an amount representing the forgone opportunity cost in respect of the excess fees based, in most cases, on a simple interest rate of 5% per annum, calculated monthly;

(b) All amounts due to Affected Clients who cannot be located to be held in a trust account while efforts to locate them continue and for the payment of the balance of the trust account to United Way financial literacy programs if unclaimed by December 31, 2018;

(c) The payment of the aggregate *de minimis* amounts, estimated to be approximately $124,697, to United Way financial literacy programs; and

(d) The delivery to the Commission by the CIBC Dealers of regular progress reports relating to the implementation of the Compensation Plan.

9. The Panel has considered OSC Staff Notice 15-702 *Revised Credit for Cooperation Program*, (2014) 37 OSCB 2583. The Notice identifies the circumstances in which Staff may conclude that it is appropriate to recommend that an enforcement matter be resolved on the basis of a settlement agreement in which the respondent makes no admissions relating to the facts alleged by Staff or that it contravened Ontario securities law or acted contrary to the public interest. The Panel also reviewed the Reasons of the Commission issued in connection with other matters in which Staff recommended and Panels approved settlements with no admissions of fact or liability.

10. Having considered the terms of the Settlement Agreement and the Compensation Plan and the submissions of the parties, the Panel takes note, in particular, of the following:

(a) The CIBC Dealers promptly self-reported the matter to Staff;

(b) The CIBC Dealers provided prompt, detailed and candid co-operation to Staff during Staff's investigation of the alleged Control and Supervision Inadequacies, and to the Panel during the confidential settlement conference;

(c) The compensation in an estimated amount of $73,260,104 to Affected Clients and the steps that the CIBC Dealers will undertake to locate Affected Clients, in both cases in accordance with the terms of the Compensation Plan;

(d) The undertaking of the CIBC Dealers to make a voluntary payment to the Commission in the amount of $3,000,000, to be designated for allocation or use by the Commission in accordance with sub-paragraphs (b)(i) or (ii) of subsection 3.4(2) of the Act, and to make a further voluntary payment of $50,000 to reimburse the Commission for the costs incurred or to be incurred by the Commission, in accordance with paragraph (a) of subsection 3.4(2) of the Act;

(e) Staff is not aware of any other instance of Control and Supervision Inadequacies and the CIBC Dealers have developed and are implementing additional controls and monitoring systems designed to address and prevent their recurrence, which will be subject to further review by the Commission's Compliance and Registrant Regulation Branch; and

(f) Staff does not allege and has found no evidence of dishonest or intentional misconduct by the CIBC Dealers.

11. Although the Compensation Plan was not filed by the parties with their application for approval of the Settlement Agreement, both Staff and the Panel have reviewed the Compensation Plan. We are satisfied with the terms of the Compensation Plan and the process and methodology that have been employed to identify the Affected Clients and to calculate the amounts due to them. There may be circumstances in the future that would warrant the inclusion of a compensation plan with a settlement agreement submitted to the Commission for approval; however, we do not consider it essential in this matter.

12. For the foregoing reasons, we have concluded that it would be in the public interest for us to approve the Settlement Agreement, which we will do by issuing the order in the form attached to the Settlement Agreement filed by the parties.

Dated at Toronto this 28th day of October, 2016.

"Alan Lenczner"

"Christopher Portner"

"AnneMarie Ryan"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Minera IRL Limited	16 October 2015	28 October 2015	28 October 2015	29 January 2017

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Millstream Mines Ltd.	05 January 2017	20 January 2017

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016	20 January 2017	

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
AlarmForce Industries Inc.	19 September 2016	30 September 2016	30 September 2016		
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016	20 January 2017	

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5.1.1 CSA Notice of Approval – Amendments to National Instrument 23-101 Trading Rules and Companion Policy 23-101CP to National Instrument 23-101 Trading Rules

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Notice

Amendments to National Instrument 23-101 *Trading Rules* and Companion Policy 23-101CP to National Instrument 23-101 *Trading Rules*

January 26, 2017

I. Introduction

The Canadian Securities Administrators (the **CSA** or **we**) have approved amendments to National Instrument 23-101 *Trading Rules* (**NI 23-101**) and its related Companion Policy (**23-101 CP**) (together, the **Amendments**).

We are publishing clean and blacklined versions of the text of the Amendments in Annexes A and B to this notice, together with certain other relevant information at Annexes C through E. The text of the Amendments will also be available on the websites of the CSA jurisdictions, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.nssc.novascotia.ca
www.fcnb.ca
www.osc.gov.on.ca
www.fcaa.gov.sk.ca
www.msc.gov.mb.ca

Provided all necessary ministerial approvals are obtained, the Amendments will come into force on April 10, 2017.

II. Substance and Purpose

The substance and purpose of the Amendments is to amend NI 23-101 to lower the active trading fee cap[1] applicable to trading in certain securities. In setting out the maximum fee that can be applied to the execution of an order entered to execute against displayed volume, the Amendments distinguish between securities that are listed on both a Canadian and a U.S. exchange (**Inter-listed Securities**) and securities that are listed on a Canadian exchange, but not listed on a U.S. exchange (**Non-Inter-listed Securities**).

The Amendments amend section 6.6.1 of NI 23-101 to cap active trading fees for Non-Inter-listed Securities at $0.0017 per security traded for an equity security or per unit traded for an exchange-traded fund, if the execution price of the security or unit traded is greater than or equal to $1.00.

III. Background

As of July 6, 2016, an active trading fee cap of $0.0030 per share or unit traded has been imposed on equity securities and exchange-traded funds priced at or above $1.00.[2] This cap is an established benchmark created by the U.S. Securities and Exchange Commission in the context of order protection requirements similar to those in NI 23-101.

[1] An active trading fee refers to the fee applied for executing an order that was entered to execute against a displayed order on a particular marketplace.

[2] The trading fee cap for equity securities and exchange-traded funds priced below $1.00 is $0.0004 per security or unit traded. The Amendments do not change this cap.

However, when we proposed the $0.0030 per share or unit fee cap in 2014, we acknowledged that the U.S. trading fee cap was considered by some to be too high. These concerns were also reflected in the comments received on the proposed fee cap, where a number of commenters indicated that the cap was not reflective of the lower average price of Canadian securities relative to the average price of U.S. securities.

We recognized the views of some stakeholders that the fee cap should be lower. However, our market is highly integrated with the U.S. and there is significant trading activity in Inter-listed Securities in the U.S. As a result, we remained concerned about the potential negative consequences for the Canadian market from establishing a trading fee cap for Inter-listed Securities that is significantly different than comparable regulatory requirements in the U.S. As liquidity providers are sensitive to rebates they receive for posting orders on certain marketplaces, a decrease in fees charged by Canadian marketplaces would also result in a decrease in rebates available to liquidity providers. If the difference in rebates between Canada and the U.S. for Inter-listed Securities was too large, a shift of liquidity to U.S. marketplaces and widening spreads on Canadian marketplaces could result.

However, the concerns noted above do not apply for Non-Inter-listed Securities, and in determining a method by which we could address some of the concerns raised in relation to trading fee costs, we considered, among other things, the comments that the trading fee should reflect the value of the stocks traded. We calculated the volume-weighted average price for Inter-listed Securities[3] and found that the $0.0030 cap for Inter-listed Securities represents 1.2 basis points. We then calculated the volume-weighted average price for Non-Inter-listed Securities and applied the same basis point equivalent. The results are illustrated in the table below.

	Volume-Weighted Average Price	**Trading Fee Cap**	**Basis Point Equivalent**
Inter-listed Securities	$25.26	$0.0030 per share or unit	1.2 bps
Non-Inter-listed Securities	$14.30	$0.0017 per share or unit	1.2 bps

IV. The Amendments

The Amendments cap active trading fees for Non-Inter-listed Securities at $0.0017 per security traded for an equity security or per unit traded for an exchange-traded fund, if the execution price of the security or unit traded is greater than or equal to $1.00. The $0.0030 per share or unit cap will continue to apply to Inter-listed Securities priced at or above $1.00. The current cap of $0.0004 per share or unit priced at less than $1.00 remains in place for both Inter-listed Securities and Non-Inter-listed Securities.

We received comments concerning a marketplace's ability to identify when a security's status as Inter-listed or Non-Inter-listed changes, and particularly where an Inter-listed Security becomes a Non-Inter-listed Security (e.g., the issuer has delisted the security from all U.S. exchanges on which it was listed), and becomes subject to the lower trading fee cap. In response to these comments, we have made non-material amendments to NI 23-101 and 23-101CP. New subsections 6.6.1(3) and 6.6.1(4) require a recognized exchange to publish a quarterly list of Inter-listed Securities, and new section 6.6.2 requires marketplaces to make any required reductions to their active trading fees no later than 35 days following publication of the list. We are of the view that this requirement will have limited impact because some exchanges currently publish this information, and all exchanges can require listed issuers to provide them with this information. It will not be onerous for listed issuers to inform their listing exchange of their status as Inter-listed or not.

The exchanges' lists are to be as of the last day of each calendar quarter and published no later than 7 days after the quarter end. A transitional provision provides that the first lists are to be as of April 10, 2017, and published no later than April 17, 2017. Marketplaces must make any required fee adjustments no later than May 15, 2017.

We note that if a Non-Inter-listed Security becomes an Inter-listed Security, the Amendments will not require a marketplace to adjust its trading fee as the maximum fee for a Non-Inter-Listed Security is below the maximum fee for an Inter-listed Security.

V. Summary of Written Comments Received by the CSA

Proposed amendments were published for comment on April 7, 2016. We received submissions from six commenters. We have considered the comments received and thank all of the commenters for their input. A list of those who submitted comments and a summary of the comments and our responses are attached at Annexes C and D to this notice. Copies of the comment letters are available at www.osc.gov.on.ca.

[3] The volume-weighted average price is calculated from June 29, 2014 to June 28, 2015.

VI. Local Matters

Certain jurisdictions are publishing other information required by local securities legislation. In Ontario, this information is contained in Annex E of this notice.

VII. Annexes

A. Amendments to NI 23-101 and 23-101CP;

B. Amendments to NI 23-101 and 23-101CP, blacklined to the version published for comment on April 7, 2016;

C. List of commenters;

D. Summary of Comments and CSA Responses; and

E. Local Matters.

VIII. Questions

Please refer your questions to any of the following:

Tracey Stern
Manager, Market Regulation
Ontario Securities Commission
tstern@osc.gov.on.ca

Alina Bazavan
Senior Analyst, Market Regulation
Ontario Securities Commission
abazavan@osc.gov.on.ca

Kathleen Blevins
Senior Legal Counsel
Alberta Securities Commission
kathleen.blevins@asc.ca

Serge Boisvert
Senior Policy Advisor
Direction des bourses et des OAR
Autorité des marchés financiers
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Bruce Sinclair
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Ontario Securities Commission
tbaikie@osc.gov.on.ca

Paul Redman
Chief Economist and Head of Research,
Strategy & Operations
Ontario Securities Commission
predman@osc.gov.on.ca

Sasha Cekerevac
Regulatory Analyst, Market Regulation
Alberta Securities Commission
sasha.cekerevac@asc.ca

Roland Geiling
Derivatives Product Analyst
Direction des bourses et des OAR
Autorité des marchés financiers
roland.geiling@lautorite.qc.ca

ANNEX A

AMENDMENTS TO NATIONAL INSTRUMENT 23-101
TRADING RULES

1. National Instrument 23-101 Trading Rules is amended by this Instrument.

2. Section 6.6.1 is replaced with the following:

6.6.1 Trading Fees

(1) In this section

"exchange-traded fund" means a mutual fund

(a) the units of which are listed securities or quoted securities, and

(b) that is in continuous distribution in accordance with applicable securities legislation; and

"inter-listed security" means an exchange-traded security that is also listed on an exchange that is registered as a "national securities exchange" in the United States of America under section 6 of the 1934 Act.

(2) A marketplace that is subject to section 7.1 of NI 21-101 must not charge a fee for executing an order that was entered to execute against a displayed order on the marketplace that,

(a) in the case of an order involving an inter-listed security,

(i) is greater than $0.0030 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price of each security or unit traded is greater than or equal to $1.00, and

(ii) is greater than $0.0004 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price of each security or unit traded is less than $1.00; or

(b) in the case of an order involving a security that is not an inter-listed security,

(i) is greater than $0.0017 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price of each security or unit traded is greater than or equal to $1.00, and

(ii) is greater than $0.0004 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price of each security or unit traded is less than $1.00.

(3) A recognized exchange must maintain a list of inter-listed securities that are listed on the exchange as of the last day of each calendar quarter.

(4) A recognized exchange must publicly disclose on its website the list referred to in subsection (3)

(a) within 7 days after the last day of each calendar quarter, and

(b) for a period of at least 12 months commencing on the date it is publicly disclosed on the website..

3. The following section is added after section 6.6.1:

6.6.2 Ceasing to be inter-listed security – fee transition period — If a security ceases to be an inter-listed security, paragraph 6.6.1(2)(b) does not apply if

(a) less than 35 days has passed since the first date, following the cessation, the list referred to in subsection 6.6.1(4) was publicly disclosed, and

(b) the fee charged is in compliance with paragraph 6.6.1(2)(a) as if the security were still an inter-listed security..

4. **Transition – publication of inter-listed securities**

On or before April 17, 2017**,** a recognized exchange must publicly disclose on its website a list of the inter-listed securities that were listed on the exchange as of April 10, 2017.

5. **Transition – fee adjustment for orders involving non-inter-listed securities**

Despite paragraph 6.6.1(2)(b), as enacted by section 2 of this Instrument, a marketplace to which that paragraph applies may, until May 15, 2017, charge a fee that exceeds the amount referred to in that paragraph provided the fee charged is not greater than

(a) $0.0030 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price of each security or unit traded is greater than or equal to $1.00, and

(b) $0.0004 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price is less than $1.00.

6. **Effective Date**

(1) This Instrument comes into force on April 10, 2017.

(2) In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after April 10, 2017, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

SCHEDULE

1. The changes to Companion Policy 23-101 to National Instrument 23-101 Trading Rules are set out in this Schedule.

2. Part 6 is changed by adding the following section:

6.4.1 Trading Fees – Section 6.6.1 provides caps on the fee that a marketplace subject to section 7.1 of NI 21-101 can charge for execution against a displayed order on the marketplace. Paragraph 6.6.1(2)(a) establishes a higher trading fee cap for exchange-traded securities that are inter-listed (i.e., listed on both a recognized exchange and a national securities exchange in the United States of America) and priced at or above $1.00. Subsections 6.6.1(3) and (4) provide a process to ensure transparency of a security's status as an inter-listed security, and require a recognized exchange to publish a quarterly list of all of its inter-listed securities no later than seven days after the end of each quarter. In compiling the list, an exchange may rely on representations made by its listed issuers as to their status. Section 6.6.2 addresses the situation where a security's status as an inter-listed security changes, specifically, when a security is delisted from all U.S. national securities exchanges on which it was listed and is now only listed on a recognized exchange in Canada and is no longer an inter-listed security. Section 6.6.2 requires marketplaces to make any reductions to their fees that are necessary to comply with paragraph 6.6.1(2)(b) no later than 35 days following the publication of the first list indicating that the security is no longer an inter-listed security.

ANNEX B

AMENDMENTS TO NATIONAL INSTRUMENT 23-101
TRADING RULES

(blacklined to version published for comment April 7, 2016)

1. National Instrument 23-101 Trading Rules is amended by this Instrument.

2. Section 6.6.1 is replaced with the following:

6.6.1 Trading Fees

(1) In this section

"exchange-traded fund" means a mutual fund~~,~~

(a) the units of which are listed securities or quoted securities, and

(b) that is in continuous distribution in accordance with applicable securities legislation; and

"inter-listed security" means an exchange-traded security that is also listed ~~on a recognized exchange and~~ on an exchange that is registered as a "national securities exchange" in the United States of America under section 6 of the 1934 Act.

(2) A marketplace that is subject to section 7.1 of NI 21-101 must not charge a fee for executing an order that was entered to execute against a displayed order on the marketplace that,

(a) ~~for~~ in the case of an order involving an inter-listed security,

(i) ~~that~~ is greater than $0.0030 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price of each security or unit traded is greater than or equal to $1.00, and

(ii) ~~that~~ is greater than $0.0004 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price of each security or unit traded is less than $1.00; or

(b) ~~for~~ in the case of an order involving a security that is not an inter-listed security,

(i) ~~that~~ is greater than $0.0017 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price of each security or unit traded is greater than or equal to $1.00, and

(ii) ~~that~~ is greater than $0.0004 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price of each security or unit traded is less than $1.00.

(3) A recognized exchange must maintain a list of inter-listed securities that are listed on the exchange as of the last day of each calendar quarter.

(4) A recognized exchange must publicly disclose on its website the list referred to in subsection (3)

(a) within 7 days after the last day of each calendar quarter, and

(b) for a period of at least 12 months commencing on the date it is publicly disclosed on the website..

3. The following section is added after section 6.6.1:

6.6.2 Ceasing to be inter-listed security – fee transition period — If a security ceases to be an inter-listed security, paragraph 6.6.1(2)(b) does not apply if

(a) less than 35 days has passed since the first date, following the cessation, the list referred to in subsection 6.6.1(4) was publicly disclosed, and

(b) the fee charged is in compliance with paragraph 6.6.1(2)(a) as if the security were still an inter-listed security..

4. **Transition – publication of inter-listed securities**

On or before April 17, 2017, a recognized exchange must publicly disclose on its website a list of the inter-listed securities that were listed on the exchange as of April 10, 2017.

5. **Transition – fee adjustment for orders involving non-inter-listed securities**

Despite paragraph 6.6.1(2)(b), as enacted by section 2 of this Instrument, a marketplace to which that paragraph applies may, until May 15, 2017, charge a fee that exceeds the amount referred to in that paragraph provided the fee charged is not greater than

(a) $0.0030 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price of each security or unit traded is greater than or equal to $1.00, and

(b) $0.0004 per security traded for an equity security, or per unit traded for an exchange-traded fund, if the execution price is less than $1.00.

6. **Effective Date**

(1) This Instrument comes into force on April 10, 2017.

(2) In Saskatchewan, despite subsection (1), if these regulations are filed with the Registrar of Regulations after April 10, 2017, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

SCHEDULE

1. The changes to Companion Policy 23-101 to National Instrument 23-101 Trading Rules are set out in this Schedule.

2. Part 6 is changed by adding the following section:

6.4.1 Trading Fees – Section 6.6.1 provides caps on the fee that a marketplace subject to section 7.1 of NI 21-101 can charge for execution against a displayed order on the marketplace. Paragraph 6.6.1(2)(a) establishes a higher trading fee cap for exchange-traded securities that are inter-listed (i.e., listed on both a recognized exchange and a national securities exchange in the United States of America) and priced at or above $1.00. Subsections 6.6.1(3) and (4) provide a process to ensure transparency of a security's status as an inter-listed security, and require a recognized exchange to publish a quarterly list of all of its inter-listed securities no later than seven days after the end of each quarter. In compiling the list, an exchange may rely on representations made by its listed issuers as to their status. Section 6.6.2 addresses the situation where a security's status as an inter-listed security changes, specifically, when a security is delisted from all U.S. national securities exchanges on which it was listed and is now only listed on a recognized exchange in Canada and is no longer an inter-listed security. Section 6.6.2 requires marketplaces to make any reductions to their fees that are necessary to comply with paragraph 6.6.1(2)(b) no later than 35 days following the publication of the first list indicating that the security is no longer an inter-listed security.

ANNEX C

LIST OF COMMENTERS

Canadian Advocacy Council for the Canadian CFA Institute
Canadian Foundation for the Advancement of Investor Rights
Canadian Securities Exchange
Investment Industry Association of Canada
Nasdaq CXC
TMX Group Ltd.

ANNEX D

SUMMARY OF COMMENTS AND CSA RESPONSES

Topic	Summary of Comments	CSA Response
Size of Trading Fee Cap	Responses were mixed, with some supporting the proposed cap, some suggesting a higher cap, and one suggesting a lower cap.	We acknowledge that the comments received in relation to amount of the cap were mixed. However, we continue to be of the view that a cap of $0.0017 per share or unit of Non-Inter-listed Securities is the most appropriate way to address concerns previously raised that the current $0.0030 cap is too high.
	Two commenters were concerned about the impact on the market, as lowering active fees would lead to lower rebates, which may affect liquidity, particularly in exchange traded funds and less liquid securities. It was noted that marketplaces in Canada and the US lost market share when they unilaterally lowered fees and rebates. If liquidity is damaged, small cap Canadian issuers considering an initial public offering may choose to list in foreign markets, and currently-listed issuers may migrate to those markets. One commenter suggested a cap of $0.0023 as a compromise.	We believe the impact of the fee cap will be mitigated by the fact that it will apply to active orders on all lit marketplaces. We also note that the cap is proportionate to the existing $0.0030 cap when the average price of Non-Inter-listed Securities is compared to the average price of Inter-listed Securities.
	One commenter suggested that the proposed fee cap is too high and would permit rebates that overcompensate liquidity providers, as does the current $0.0030 cap. The correct comparison is to the average US share price of $75 rather than the Canadian average of $25.26 for Inter-listed Securities. The cap should be closer to $0.0006 per share.	We will monitor over time whether the level of the fee cap remains appropriate.
Application to Inverted-Fee Markets	One commenter suggested that the fee cap apply to marketplaces with inverted (take-make) pricing, where the passive order pays a fee and the active order receives a rebate. One commenter believed that it should not apply to these marketplaces.	The fee cap is intended to apply to orders that a marketplace participant may be required to interact with as a result of the order protection rule. No one is required to post a passive order on an inverted market. In an inverted maker taker structure, setting a fee to post liquidity that is too high would most likely result in a reduction in posted liquidity which will ultimately impact the passive flow routed to that marketplace and the corresponding trading revenue. This provides an incentive to keep any fee at a reasonable level. Despite this, we will continue to examine trading fees to determine what, if any, regulation is required for inverted fee models.
Application to Iceberg Orders and Dark Marketplaces	One commenter asked whether the cap would apply to iceberg orders.	The cap currently applies to iceberg orders on marketplaces that display orders. The fee cap does not apply to marketplaces that do not display orders.

Topic	Summary of Comments	CSA Response
Compliance Issues	One commenter suggested it may be difficult for marketplaces to know whether a security is a Non-Inter-listed Security, particularly in the case where an issuer of a security listed on a US exchange delists. The CSA or IIROC should provide a list of Non-Interlisted Securities. It will be difficult to change fees in the middle of a billing cycle if necessary.	We have amended the rule to require recognized exchanges to publish a quarterly list of their Inter-listed securities. To address this concern, we have amended the rule to provide that such changes must be made no later than 35 days following publication of the quarterly list.
SEC Trading Fee Pilot	Three commenters suggested that the CSA monitor any Securities Exchange Commission (SEC) trading fee pilot and consider participating.	We are monitoring and will continue to monitor developments in the US, including the recommendations of the SEC's Equity Market Structure Advisory Committee for an access (trading) fee pilot.
Ban Rebates	One commenter suggested banning rebates on Non-Interlisted Securities, as there is no risk of loss of order flow to US marketplaces	Before considering a ban, we will monitor developments with the US fee pilot.
Other Comments	One commenter made a number of suggestions with respect to pricing and availability of market data.	These comments are out of scope of the request for comments. We note that the CSA has recently adopted a formal methodology for reviewing marketplaces' market data fees. See CSA Staff Notice 21-319 dated December 8, 2016.

ANNEX E

LOCAL MATTERS

In Ontario, the Amendments and other required materials were delivered to the Minister of Finance on January 20, 2017. The Minister may approve or reject the amendments or return them for further consideration. If the Minister approves the amendments or does not take any further action by March 22, 2017, the amendments will come into force on April 10, 2017.

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
BMO Ascent Balanced Portfolio
BMO Ascent Conservative Portfolio
BMO Ascent Equity Growth Portfolio
BMO Ascent Growth Portfolio
BMO Ascent Income Portfolio
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectuses dated January 18, 2017
NP11-202 Preliminary Receipt dated January 19, 2017
Offering Price and Description:
Series A and Series F Securities
Underwriter(s) or Distributor(s):
BMO Investments Inc.
BMO Investments Inc.
Promoter(s):
BMO Investments Inc.
Project #2575117

Issuer Name:
Brand Leaders Plus Income ETF
Energy Leaders Plus Income ETF
Healthcare Leaders Income ETF
US Buyback Leaders ETF
Principal Regulator – Ontario
Type and Date:
Amendment #2 dated January 17, 2017 to Final Long Form Prospectus dated October 14, 2016
Received on January 19, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Harvest Portfolios Group Inc.
Project #2536861

Issuer Name:
Manulife Asia Equity Class
Manulife Asia Total Return Bond Fund
Manulife Balanced Equity Private Pool
Manulife Balanced Income Private Trust
Manulife Bond Fund
Manulife Canadian Balanced Fund
Manulife Canadian Balanced Private Pool
Manulife Canadian Bond Plus Fund
Manulife Canadian Corporate Bond Fund (formerly Standard Life Corporate Bond Fund)
Manulife Canadian Dividend Growth Class (formerly Standard Life Canadian Dividend Growth Class)
Manulife Canadian Dividend Growth Fund (formerly Standard Life Canadian Dividend Growth Fund)
Manulife Canadian Dividend Income Class (formerly Standard Life Dividend Income Class)
Manulife Canadian Dividend Income Fund (formerly Standard Life Dividend Income Fund)
Manulife Canadian Equity Balanced Class
Manulife Canadian Equity Private Pool
Manulife Canadian Fixed Income Private Trust
Manulife Canadian Focused Class
Manulife Canadian Focused Fund
Manulife Canadian Growth and Income Private Trust
Manulife Canadian Investment Class
Manulife Canadian Investment Fund
Manulife Canadian Monthly Income Class (formerly Standard Life Monthly Income Class)
Manulife Canadian Monthly Income Fund (formerly Standard Life Monthly Income Fund)
Manulife Canadian Opportunities Balanced Class
Manulife Canadian Opportunities Balanced Fund
Manulife Canadian Opportunities Class
Manulife Canadian Opportunities Fund
Manulife Canadian Stock Class
Manulife Canadian Stock Fund
Manulife China Class
Manulife Conservative Income Fund (formerly Standard Life Diversified Income Fund)
Manulife Corporate Bond Fund
Manulife Corporate Fixed Income Private Trust
Manulife Covered Call U.S. Equity Class (formerly Manulife U.S. Opportunities Class)
Manulife Covered Call U.S. Equity Fund (formerly Manulife Value Fund)
Manulife Diversified Income Portfolio
Manulife Diversified Investment Fund
Manulife Diversified Strategies Fund
Manulife Dividend Income Class
Manulife Dividend Income Fund
Manulife Dividend Income Private Pool
Manulife Dollar-Cost Averaging Fund

Manulife Emerging Markets Class (formerly Standard Life Emerging Markets Dividend Class)
Manulife Emerging Markets Debt Fund
Manulife Emerging Markets Fund (formerly Standard Life Emerging Markets Dividend Fund)
Manulife Floating Rate Income Fund
Manulife Global All Cap Focused Fund
Manulife Global Balanced Fund
Manulife Global Balanced Private Trust
Manulife Global Dividend Class
Manulife Global Dividend Fund
Manulife Global Dividend Growth Class (formerly Standard Life Global Dividend Growth Class)
Manulife Global Dividend Growth Fund (formerly Standard Life Global Dividend Growth Fund)
Manulife Global Equity Class
Manulife Global Equity Private Pool
Manulife Global Equity Unconstrained Class (formerly Standard Life Global Equity Class)
Manulife Global Equity Unconstrained Fund (formerly Standard Life Global Equity Fund)
Manulife Global Fixed Income Private Trust
Manulife Global Infrastructure Class
Manulife Global Infrastructure Fund
Manulife Global Real Estate Unconstrained Class (formerly Manulife Global Real Estate Class)
Manulife Global Real Estate Unconstrained Fund (formerly Standard Life Global Real Estate Fund)
Manulife Global Small Cap Balanced Fund
Manulife Global Small Cap Fund
Manulife Global Strategic Balanced Yield Fund
Manulife Global Tactical Credit Fund
Manulife Growth Opportunities Class
Manulife Growth Opportunities Fund
Manulife High Yield Bond Fund
Manulife International Equity Private Trust
Manulife International Focused Fund
Manulife International Value Equity Fund
Manulife Leaders Balanced Growth Portfolio
Manulife Leaders Balanced Income Portfolio
Manulife Leaders Opportunities Portfolio
Manulife Money Fund
Manulife Money Market Private Trust
Manulife Monthly High Income Class
Manulife Monthly High Income Fund
Manulife Portrait Aggressive Portfolio (formerly Standard Life Aggressive Portfolio)
Manulife Portrait Conservative Portfolio (formerly Standard Life Conservative Portfolio)
Manulife Portrait Dividend Growth & Income Portfolio (formerly Standard Life Dividend Growth & Income Portfolio)
Manulife Portrait Dividend Growth & Income Portfolio Class (formerly Standard Life Dividend Growth & Income Portfolio Cl
Manulife Portrait Growth Portfolio (formerly Standard Life Growth Portfolio)
Manulife Portrait Growth Portfolio Class (formerly Standard Life Growth Portfolio Class)
Manulife Portrait Moderate Portfolio (formerly Standard Life Moderate Portfolio)
Manulife Preferred Income Class
Manulife Short Term Bond Fund
Manulife Short Term Yield Class
Manulife Simplicity Balanced Portfolio
Manulife Simplicity Conservative Portfolio
Manulife Simplicity Global Balanced Portfolio
Manulife Simplicity Growth Portfolio
Manulife Simplicity Moderate Portfolio
Manulife Strategic Balanced Yield Fund
Manulife Strategic Dividend Bundle
Manulife Strategic Income Fund
Manulife Strategic Investment Grade Global Bond Fund
Manulife Tactical Income Fund (formerly Standard Life Tactical Income Fund)
Manulife U.S. All Cap Equity Class
Manulife U.S. All Cap Equity Fund
Manulife U.S. Balanced Private Trust
Manulife U.S. Balanced Value Private Trust
Manulife U.S. Dividend Income Class (formerly Manulife U.S. Dividend Class)
Manulife U.S. Dividend Income Fund (formerly Standard Life U.S. Dividend Growth Fund)
Manulife U.S. Dividend Income Registered Fund (formerly Manulife U.S. Dividend Registered Fund)
Manulife U.S. Dollar Floating Rate Income Fund
Manulife U.S. Dollar Strategic Balanced Yield Fund
Manulife U.S. Dollar Strategic Income Fund
Manulife U.S. Dollar U.S. All Cap Equity Fund
Manulife U.S. Equity Fund
Manulife U.S. Equity Private Pool
Manulife U.S. Fixed Income Private Trust
Manulife U.S. Monthly High Income Fund
Manulife U.S. Opportunities Fund
Manulife U.S. Tactical Credit Fund
Manulife Unhedged U.S. Monthly High Income Fund (formerly Standard Life U.S. Monthly Income Fund)
Manulife Value Balanced Class
Manulife Value Balanced Fund
Manulife World Investment Class
Manulife World Investment Fund
Manulife Yield Opportunities Fund
Principal Regulator – Ontario

Type and Date:
Amendment #2 dated January 19, 2017 to Final Simplified Prospectus dated August 2, 2016
Received on January 19, 2017

Offering Price and Description:
-

Underwriter(s) or Distributor(s):
Manulife Asset Management Investments Inc.
Manulife Asset Management Investments Inc.
Manulife Asset Management Investments Inc.

Promoter(s):
Manulife Asset Management Limited

Project #2496519

Issuer Name:
Dynamic iShares Active Canadian Dividend ETF
Dynamic iShares Active Crossover Bond ETF
Dynamic iShares Active Global Dividend ETF
Dynamic iShares Active Preferred Shares ETF
Dynamic iShares Active U.S. Dividend ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated January 16, 2017
NP 11-202 Receipt dated January 17, 2017
Offering Price and Description:
Exchange traded securities at net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2554513

Issuer Name:
Hamilton Capital Global Bank ETF
Hamilton Capital Global Financials Yield ETF (formerly Hamilton Capital Higher Yielding Financials ETF)
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated January 16, 2017
NP 11-202 Receipt dated January 17, 2017
Offering Price and Description:
Class E units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Hamilton Capital Partners Inc.
Project #2564942

Issuer Name:
Horizons Active Cdn Bond ETF
Horizons Active Cdn Dividend ETF (formerly Horizons Dividend ETF)
Horizons Active Cdn Municipal Bond ETF
Horizons Active Corporate Bond ETF (formerly Horizons Corporate Bond ETF)
Horizons Active Emerging Markets Dividend ETF
Horizons Active Floating Rate Bond ETF (formerly Horizons Floating Rate Bond ETF)
Horizons Active Floating Rate Preferred Share ETF
Horizons Active Floating Rate Senior Loan ETF
Horizons Active Global Dividend ETF (formerly Horizons Global Dividend ETF)
Horizons Active Global Fixed Income ETF (formerly known as Horizons Active Yield Matched Duration ETF)
Horizons Active High Yield Bond ETF (formerly Horizons High Yield Bond ETF)
Horizons Active Preferred Share ETF (formerly Horizons Preferred Share ETF)
Horizons Active US Dividend ETF
Horizons Active US Floating Rate Bond (USD) ETF (formerly Horizons U.S. Floating Rate Bond ETF)
Horizons Managed Global Opportunities ETF
Horizons Managed Multi-Asset Momentum ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated January 9, 2017 to the Amended and Restated Long Form Prospectus dated June 28, 2016, amending and restating the Long Form Prospectus dated February 4, 2016
NP 11-202 Receipt dated January 17, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
ALPHAPRO MANAGEMENT INC.
Project #2432195

Issuer Name:
Horizons Auspice Managed Futures Index ETF
Horizons Gold Yield ETF
Horizons Natural Gas Yield ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated January 9, 2017 to Final Long Form Prospectus dated February 22, 2016
NP 11-202 Receipt dated January 17, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
AlphaPro Management Inc.
Project #2437188

Issuer Name:
Horizons Enhanced Income Energy ETF
Horizons Enhanced Income Equity ETF
Horizons Enhanced Income Financials ETF
Horizons Enhanced Income Gold Producers ETF
Horizons Enhanced Income International Equity ETF
Horizons Enhanced Income US Equity (USD) ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated January 9, 2017 to Final Long Form Prospectus dated April 7, 2016
NP 11-202 Receipt dated January 17, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2447798

Issuer Name:
Horizons Seasonal Rotation ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated January 9, 2017 to Final Long Form Prospectus dated August 22, 2016
NP 11-202 Receipt dated January 17, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
AlphaPro Management Inc.
Project #2509561

Issuer Name:
Scotia Canadian Income Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Global Bond Fund (Series A, Series F and Series I units)
Scotia Mortgage Income Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia U.S. $ Bond Fund (Series A and Series F units)
Scotia Canadian Dividend Fund (Series, A Series F, Series I, Series K and Series M units)
Scotia Global Divided Fund (Series A and Series I units)
Scotia U.S. Dividend Fund (Series A and Series I units)
Scotia Balanced Opportunities Fund (Series A, Series D and Series F units)
Scotia Canadian Balanced Fund (Series A, Series D and Series F units)
Scotia Diversified Monthly Income Fund (Series A, Series D and Series F units)
Scotia Global Balanced Fund (Series A, Series D and Series I units)
Scotia Income Advantage Fund (Series A, Series D, Series K and Series M units)
Scotia U.S. $ Balanced Fund (Series A units)
Scotia Canadian Blue Chip Fund (Series A, Series F and Series I units)
Scotia Canadian Growth Fund (Series A, Series F and Series I units)
Scotia Canadian Small Cap Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia European Fund (Series A, Series F and Series I units)
Scotia Global Growth Fund (Series A, Series F and Series I units)
Scotia Global Opportunities Fund (Series A, Series F and Series I units)
Scotia Global Small Cap Fund (Series A, Series F and Series I units)
Scotia International Value Fund (Series A, Series F and Series I units)
Scotia Latin American Fund (Series A, Series F and Series I units)
Scotia Pacific Rim Fund (Series A, Series F and Series I units)
Scotia Resource Fund (Series A, Series F and Series I units)
Scotia U.S. Blue Chip Fund (Series A, Series F and Series I units)
Scotia U.S. Opportunities Fund (Series A, Series F and Series I units)
Scotia Selected Income Portfolio (Series A units)
Scotia Selected Balanced Growth Portfolio (Series A and Series F units)
Scotia Selected Growth Portfolio (Series A and Series F units)
Scotia Selected Maximum Growth Portfolio (Series A and Series F units)
Scotia Partners Income Portfolio (Series A and Series T units)
Scotia Partners Balanced Growth Portfolio (Series A, Series F and Series T units)
Scotia Partners Growth Portfolio (Series A, Series F and Series T units)

Scotia Partners Maximum Growth Portfolio (Series A, Series F and Series T units)
Scotia Aria Conservative Build Portfolio (Series A and Premium Series units)
Scotia Aria Conservative Core Portfolio (Series A, Series TL, Series T, Series TH, Premium
Series, Premium TL Series, Premium T Series and Premium TH Series units)
Scotia Aria Conservative Pay Portfolio (Series A, Series TL, Series T, Series TH, Premium
Series, Premium TL Series, Premium T Series and Premium TH Series units)
Scotia Aria Moderate Build Portfolio (Series A and Premium Series units)
Scotia Aria Moderate Core Portfolio (Series A, Series TL, Series T, Series TH, Premium Series,
Premium TL Series, Premium T Series and Premium TH Series units)
Scotia Aria Moderate Pay Portfolio (Series A, Series TL, Series T, Series TH, Premium Series,
Premium TL Series, Premium T Series and Premium TH Series units)
Scotia Aria Progressive Build Portfolio (Series A and Premium Series units)
Scotia Aria Progressive Core Portfolio (Series A, Series TL, Series T, Series TH, Premium
Series, Premium TL Series, Premium T Series and Premium TH Series units)
Scotia Aria Progressive Pay Portfolio (Series A, Series TL, Series T, Series)
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated January 13, 2017 to Final Simplified Prospectus dated November 14, 2016
NP 11-202 Receipt dated January 18, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Scotia Securities Inc.
Scotia Capital Inc.(for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Pinnacle Class only)
Scotia Capital Inc. (for Pinnacle Class and Class F units)
1832 Asset Management L.P.
Scotia Capital Inc. (for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Class A and F units only)
Scotia Securities Inc.
Scotia Securities Inc.
Promoter(s):
1832 Asset Management L.P
Project #2540087

Issuer Name:
Scotia Fixed Income Blend Class (Series A shares)
Scotia Global Dividend Class (Series A shares)
Scotia Canadian Equity Blend Class (Series A shares)
Scotia International Equity Blend Class (Series A shares)
Scotia U.S. Equity Blend Class (Series A shares)
Scotia Partners Balanced Growth Portfolio Class (Series A and Series T shares)
Scotia Partners Growth Portfolio Class (Series A and Series T shares)
Scotia Partners Maximum Growth Portfolio Class (Series A and Series T shares)
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated January 13, 2017 to Final Simplified Prospectus dated May 16, 2016
NP 11-202 Receipt dated January 18, 2017
Offering Price and Description:
Series And Series T shares
Underwriter(s) or Distributor(s):
Scotia Securities Inc. (Series A shares only)
Scotia Securities Inc.
Scotia Securities Inc. (Series A shares)
Promoter(s):
1832 Asset Management L.P.
Project #2467854

Issuer Name:
Vanguard Canadian Corporate Bond Index ETF
Vanguard Canadian Government Bond Index ETF
Vanguard Canadian Long-Term Bond Index ETF
Vanguard Canadian Short-Term Government Bond Index ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated January 18, 2017
NP 11-202 Receipt dated January 19, 2017
Offering Price and Description:
units @ net asset value
Underwriter(s) or Distributor(s):
Promoter(s):
-
Project #2563783

NON-INVESTMENT FUNDS

Issuer Name:
Automotive Properties Real Estate Investment Trust
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 23, 2017
NP 11-202 Preliminary Receipt dated January 23, 2017
Offering Price and Description:
$40,145,000.00 – 3,700,000 Units
Price: $10.85 per Offered Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
Canaccord Genuity Corp.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
National Bank Financial Inc.
GMP Securities L.P.
Industrial Alliance Securities Inc.
Raymond James Ltd.
Promoter(s):
893353 Alberta Inc.
Project #2574564

Issuer Name:
Aveda Transportation and Energy Services Inc.(formerly Phoenix Oilfield Hauling Inc.)
Principal Regulator – Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 17, 2017
NP 11-202 Preliminary Receipt dated January 17, 2017
Offering Price and Description:
$10,000,000.00 – *Common Shares
Price: $* per Common Share
Underwriter(s) or Distributor(s):
Beacon Securities Limited
Canaccord Genuity Corp.
PI Financial Corp.
MacKie Research Capital Corporation
Promoter(s):
-
Project #2574251

Issuer Name:
Avnel Gold Mining Limited
Principal Regulator – Ontario
Type and Date:
Amendment dated to Final Shelf Prospectus
Received on January 23, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2506443

Issuer Name:
Emerald Health Therapeutics, Inc. (formerly T-Bird Pharma Inc.)
Principal Regulator – British Columbia
Type and Date:
Amendment dated January 17, 2017 to Preliminary Shelf Prospectus dated January 12, 2017
NP 11-202 Preliminary Receipt dated January 18, 2017
Offering Price and Description:
$50,000,000.00 – Common Shares, Preferred Shares, Warrants, Subscription Receipts, Units, Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2573427

Issuer Name:
Enercare Solutions Inc. (formerly The Consumers' Waterheater Operating Trust)
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated January 20, 2017
NP 11-202 Preliminary Receipt dated January 23, 2017
Offering Price and Description:
$1,000,000,000.00 – Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2575540

Issuer Name:
Fairfax Africa Holdings Corporation
Principal Regulator – Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated January 17, 2017
NP 11-202 Preliminary Receipt dated January 17, 2017
Offering Price and Description:
US$* (* Subordinate Voting Shares)
Price: US$10.00 per Subordinate Voting Share – Minimum Purchase: 100 Subordinate Voting Shares
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Citigroup Global Markets Canada Inc.
UBS Securities Canada Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Genuity Corp.
Cormark Securities Inc.
Desjardins Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Dundee Capital Partners
Manulife Securities Incorporated
Promoter(s):
Fairfax Financial Holdings Limited
Project #2569326

Issuer Name:
Golden Star Resources Ltd.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectu dated January 23, 2017
NP 11-202 Preliminary Receipt dated January 23, 2017
Offering Price and Description:
Cdn.$30,000,300.00 – 27,273,000 Common Shares
Price: Cdn.$1.10 per Offered Share
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
BMO Nestbitt Burns Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #2574299

Issuer Name:
PHX Energy Services Corp.
Principal Regulator – Alberta
Type and Date:
Preliminary Short Form Prospectus (NI 44-101) dated January 18, 2017
NP 11-202 Preliminary Receipt dated January 18, 2017
Offering Price and Description:
$25,000,000.00 – 6,250,000 Common Shares
Price: $4.00 per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
AltaCorp. Capital Inc.
Cormark Securities Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #2573507

Issuer Name:
Strad Energy Services Ltd.
Principal Regulator – Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 20, 2017
NP 11-202 Preliminary Receipt dated January 20, 2017
Offering Price and Description:
$13,043,480.00 – 7,763,976 Common Shares
Price: $1.68 per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Paradigm Capital Inc.
Peters & Co. Limited
HSBC Securities (Canada) Inc.
Industrail Alliance Securities Inc.
Promoter(s):
-
Project #2574168

Issuer Name:
Student Transportation Inc. (formerly, Student Transportation of America Ltd.)
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 20, 2017
NP 11-202 Preliminary Receipt dated January 20, 2017
Offering Price and Description:
Up to 2,635,695 Common Shares issuable in exchange for Class B Series Three Common Shares of Student Transportaton of America Holdings, Inc.
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2575278

Issuer Name:
Summit Industrial Income REIT
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 17, 2017
NP 11-202 Preliminary Receipt dated January 17, 2017
Offering Price and Description:
$40,021,000.00 – 6,455,000 Units
Price: $6.20 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Industrial Alliance Securities Inc.
Canaccord Genuity Corp.
Dundee Capital Partners
Promoter(s):
-
Project #2573213

Issuer Name:
Timbercreek Financial Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 23, 2017
NP 11-202 Preliminary Receipt dated January 23, 2017
Offering Price and Description:
$40,000,000.00 – 5.45% Convertible Unsecured Subordinated Debentures due March 31, 2022
Offering Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
TD Securities Inc.
CIBC World Markets Inc.
Raymond James Ltd.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Industrial Alliance Secuirities Inc.
Manulife Securities Incorporated
Promoter(s):
-
Project #2574901

Issuer Name:
Adventus Zinc Corporation
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated January 23, 2017
NP 11-202 Receipt dated January 23, 2017
Offering Price and Description:
$3,000,000.00 – 6,000,000 Common Shares at a price of $0.50 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Altius Resources Inc.
Project #2567966

Issuer Name:
Arbutus Biopharma Corporation
Principal Regulator – British Columbia
Type and Date:
Final Shelf Prospectus dated January 20, 2017
NP 11-202 Receipt dated January 20, 2017
Offering Price and Description:
US$150,000,000.00 – Common Shares, Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2569333

Issuer Name:
Aritzia Inc.
Principal Regulator – British Columbia
Type and Date:
Final Short Form Prospectus dated January 19, 2017
NP 11-202 Receipt dated January 19, 2017
Offering Price and Description:
$350,745,000.00 – 20,100,000 Subordinate Voting Shares
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
Haywood Securities Inc.
Promoter(s):
-
Project #2572754

Issuer Name:
Ascendant Resources Inc. (formerly, Morumbi Resources Inc.)
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated January 12, 2017
NP 11-202 Receipt dated January 17, 2017
Offering Price and Description:
39,000,000 COMMON SHARES
Underwriter(s) or Distributor(s):
Dundee Capital Partners
Promoter(s):
-
Project #2565223

Issuer Name:
Chemtrade Logistics Income Fund
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated January 20, 2017
NP 11-202 Receipt dated January 20, 2017
Offering Price and Description:
$400,030,000.00 – 21,800,000 Subscription Receipts, each representing the right to receive one trust unit at a price of $18.35 per Subscription Receipt
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Raymond James Ltd.
GMP Securities L.P.
Promoter(s):
-
Project #2572406

Issuer Name:
Cott Corporation
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated January 18, 2017
NP 11-202 Receipt dated January 19, 2017
Offering Price and Description:
U.S.$600,000,000.00 – Debt Securities, Common Shares, Preferred Shares, Depositary Shares, Warrants, Stock Purchase
Contracts and Stock Purchase Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2567793

Issuer Name:
Northern Dynasty Minerals Ltd.
Principal Regulator – British Columbia
Type and Date:
Final Short Form Prospectus dated January 20, 2017
NP 11-202 Receipt dated January 20, 2017
Offering Price and Description:
US$32,560,000.00 – 17,600,000 Common Shares
Underwriter(s) or Distributor(s):
Cantor Fitzgerald Canada Corporation
TD Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
CIBC World Markets Inc.
Haywood Securities Inc.
Promoter(s):
-
Project #2573081

Issuer Name:
Summit Industrial Income REIT
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated January 23, 2017
NP 11-202 Receipt dated January 23, 2017
Offering Price and Description:
$40,021,000 – 6,455,000 Units at a price of $6.20 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Industrial Alliance Securities Inc.
Canaccord Genuity Corp.
Dundee Capital Partners
Promoter(s):
-
Project #2573213

Issuer Name:
TransGlobe Energy Corporation
Principal Regulator – Alberta
Type and Date:
Final Shelf Prospectus dated January 16, 2017
NP 11-202 Receipt dated January 17, 2017
Offering Price and Description:
$300,000,000.00 – COMMON SHARES, SUBSCRIPTION RECEIPTS, DEBT SECURITIES, WARRANTS, UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2569361

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Waterfront Strategic Capital Corp.	Exempt Market Dealer	January 18, 2017
Voluntary Surrender	Di Tomasso Group Incorporated	Commodity Trading Manager	January 17, 2017
Voluntary Surrender	HRS Liquid Strategies LP	Commodity Trading Manager	January 17, 2017
Voluntary Surrender	HR Strategies Inc.	Commodity Trading Manager	January 17, 2017
Voluntary Surrender	RP Investment Advisors	Commodity Trading Manager	January 17, 2017
Suspension (Non-Renewal of Registration Pending Surrender)	BMO Asset Management Corp.	Commodity Trading Manager	January 1, 2017
Consent to Suspension (Pending Surrender)	BMO Asset Management Corp.	Portfolio Manager	January 20, 2017
Firm Name Change	From: AHF Capital Partners Inc. To: LOGiQ Capital Partners Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	December 7, 2016
Voluntary Surrender	Aurion Capital Management Inc.	Portfolio Manager and Investment Fund Manager	January 23, 2017

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Aequitas NEO Exchange Inc. – Amendments to Trading Policies – Notice of Approval

AEQUITAS NEO EXCHANGE INC.

NOTICE OF APPROVAL

AMENDMENTS TO TRADING POLICIES

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, Aequitas NEO Exchange (NEO Exchange) filed, and the OSC approved, amendments to the Trading Policies of NEO Exchange (the Amendments).

The Amendments are related to the introduction of the auto execution facility (AEF).

The Amendments were published for comment on June 2, 2016 at (2016), 39 OSCB 5151. Two comment letters were received.

Aequitas' Notice and response to comments is published on our website at http://www.osc.gov.on.ca.

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