

## Chapter 5

# Rules and Policies

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### 5.1.1 OSC Rule 62-504 Take-Over Bids and Issuer Bids, Form 62-504F1 Take-Over Bid Circular, Form 62-504F2 Issuer Bid Circular, Form 62-504F3 Directors' Circular, Form 62-504F4 Director's or Officer's Circular and Form 62-504F5 Notice of Change or Notice of Variation

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

#### PART 1 DEFINITIONS AND INTERPRETATION

**1.1 Definition of "consultant"** – (1) In this Rule and for the purposes of Part XX of the Act, "consultant" means, for an issuer, a person or company, other than an employee, executive officer, or director of the issuer or of a related entity of the issuer, that,

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

(2) In this Rule and for the purposes of Part XX of the Act, "consultant" includes in the case of an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner.

**1.2 Definition of "standard trading unit"** – In this Rule, "standard trading unit" means,

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

**1.3 Interpretation, market price** – (1) In this Rule and for the purposes of Part XX of the Act

- (a) the market price of a class of securities for which there is a published market, at any date, is an amount equal to the simple average of the closing price of securities of that class for each of the business days on which there was a closing price in the 20 business days preceding that date,
- (b) if a published market does not provide a closing price, but provides only the highest and lowest prices of securities traded on a particular day, the market price of the securities, at any date, is an amount equal to the average of the simple averages of the highest and lowest prices for each of the business days on which there were highest and lowest prices in the 20 business days preceding that date, and
- (c) if there has been trading of securities in a published market for fewer than 10 of the 20 business days preceding the date as of which the market price of the securities is being determined, the market price is the average of the following prices established for each day of the 20 business days preceding that date:
  - (i) the average of the closing bid and ask prices for each day on which there was no trading, and
  - (ii) either the closing price of securities of the class for each day that there has been trading, if the published market provides a closing price, or the average of the highest and lowest prices of securities of that class for each day that there has been trading, if the published market provides only the highest and lowest prices of securities traded on a particular day.

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

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

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

## **PART 2 EXCEPTIONS TO BID INTEGRATION RULES**

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

- (a) the intention of the offeror,
  - (i) on the date of the bid, is to make purchases and that intention is stated in the bid circular, or
  - (ii) to make purchases changes after the date of the bid and that intention is stated in a news release issued and filed at least one business day prior to making such purchases;
- (b) the purchases are made in the normal course on a published market;
- (c) the offeror issues and files a news release immediately after the close of business of the published market on each day on which securities have been purchased under this subsection disclosing the following information:
  - (i) the name of the purchaser;
  - (ii) if the purchaser is a person or company referred to in clause (b), (c) or (d) of the definition of “offeror” set out in section 93 of the Act, the relationship of the purchaser and the offeror;
  - (iii) the number of securities purchased on the day for which the news release is required;
  - (iv) the highest price paid for the securities on the day for which the news release is required;
  - (v) the aggregate number of securities purchased on the published market during the currency of the bid;
  - (vi) the average price paid for the securities that were purchased on the published market during the currency of the bid; and
  - (vii) the total number of securities owned by the purchaser after giving effect to the purchases that are the subject of the news release;
- (d) no broker acting for the offeror performs services beyond the customary broker’s functions in regard to the purchases;
- (e) no broker acting for the offeror receives more than the usual fees or commissions in regard to the purchases than are charged for comparable services performed by the broker in the normal course;

- (f) the offeror or any person or company acting for the offeror does not solicit or arrange for the solicitation of offers to sell securities of the class subject to the bid, except for the solicitation by the offeror or members of the soliciting dealer group under the bid; and
- (g) the seller or any person or company acting for the seller does not, to the knowledge of the offeror, solicit or arrange for the solicitation of offers to buy securities of the class subject to the bid.

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

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

**2.3 Acquisitions before formal take-over bid** – (1) Subsection 93.2(1) of the Act does not apply to purchases made by an offeror if, in addition to satisfying any requirement under subsection 93.2(2) of the Act, all of the following conditions are satisfied:

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

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

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

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

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

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

### PART 3 REQUIRED FORMS

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

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

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

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

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

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

### PART 4 OFFEROR'S OBLIGATIONS – EXCEPTIONS

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

- (a) an enhancement of employee benefits resulting from participation by the security holder of the offeree issuer in a group plan, other than an incentive plan, for employees of a successor to the business of the offeree issuer, if the benefits provided by the group plan are generally provided to employees of the successor to the business of the offeree issuer who hold positions of a similar nature to the position held by the security holder, or
- (b) a benefit not described in paragraph (a) that is received solely in connection with the security holder's services as an employee, director or consultant of the offeree issuer, of an affiliated entity of the offeree issuer, or of a successor to the business of the offeree issuer, if,
  - (i) at the time the bid is publicly announced, the security holder and its associates beneficially own or exercise control or direction over less than 1% of the outstanding securities of each class of securities of the offeree issuer subject to the bid, or
  - (ii) an independent committee of directors of the offeree issuer, acting in good faith, has determined that
    - (A) the value of the benefit, net of any offsetting costs to the security holder, is less than 5% of the amount referred to in paragraph (3)(a), or
    - (B) the security holder is providing at least equivalent value in exchange for the benefit.

(2) In order to rely on an exception under paragraph (1)(b) the following conditions must be satisfied:

- (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the amount of the consideration paid to the security holder for securities deposited under the bid or providing an incentive to deposit under the bid;
- (b) the conferring of the benefit is not, by its terms, conditional on the security holder supporting the bid in any manner; and
- (c) full particulars of the benefit are disclosed in the issuer bid circular or, in the case of a take-over bid, in the take-over bid circular or directors' circular.

- (3) In order to rely on an exception under subparagraph (1)(b)(ii) the following conditions must be satisfied:
- (a) the security holder receiving the benefit has disclosed to the independent committee the amount of consideration that the security holder expects it will be beneficially entitled to receive under the terms of the bid in exchange for the securities beneficially owned by the security holder; and
  - (b) the determination of the independent committee under subparagraph (1)(b)(ii) is disclosed in the issuer bid circular or, in the case of a take-over bid, in the take-over bid circular or directors' circular.

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

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

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

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

## PART 5 FILING OF DOCUMENTS

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

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

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

(3) Documents required to be filed,

- (a) under subsection (1) must be filed on the day the take-over bid circular is filed under section 94.2 of the Act, and
- (b) under subsection (2) must be filed on the day that the directors' circular is filed under section 95.2 of the Act.

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

(5) If a document required to be filed under subsection (1) or (2) has already been filed in electronic format under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (SEDAR), the requirement to file the document may be satisfied by filing a letter describing the document and stating the filing date and project number.

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

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

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

## PART 6 FORMAL BID EXEMPTIONS

**6.1 Non-reporting issuer exemption** – A take-over bid described in section 100.2 of the Act, or an issuer bid described in section 101.3 of the Act, is exempt from the formal bid requirements if, in addition to satisfying the applicable requirements in those sections, both of the following conditions are satisfied:

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

**6.2 Required disclosure, exempt take-over bid or exempt issuer bid** – (1) A take-over bid described in section 100.3 of the Act, or an issuer bid described in section 101.4 of the Act, is exempt from the formal bid requirements if, in addition to satisfying the applicable requirements in those sections, the following conditions are satisfied:

- (a) at the same time as material relating to the bid is sent by or on behalf of the offeror to security holders of the class that is subject to the bid, the material is filed and sent to security holders whose last address as shown on the books of the offeree issuer is in Ontario;
- (b) if the bid materials referred to in paragraph (a) are not in English, a brief summary of the key terms of the bid prepared in English is filed and sent to security holders whose last address as shown on the books of the offeree issuer is in Ontario at the same time as the bid materials are filed and sent; and
- (c) if no material relating to the bid is sent by or on behalf of the offeror to security holders of the class that is subject to the bid but a notice or advertisement of the bid is published by or on behalf of the offeror in the jurisdiction where the offeree issuer is incorporated or organized, an advertisement of the bid specifying where and how security holders may obtain a copy of, or access to, the bid documents is filed and published in English in at least one major daily newspaper of general and regular paid circulation in Ontario.

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

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

- (a) the class and number of securities or principal amount of debt securities sought;
- (b) the dates, if known, on which the issuer bid will commence and expire;

- (c) the value, in Canadian dollars, of the consideration offered per security;
- (d) the manner in which the securities will be acquired; and
- (e) the reasons for the issuer bid.

## **PART 7 EARLY WARNING SYSTEM**

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

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

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

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

(2) If the facts in respect of which a news release is required to be filed under sections 102.1 and 102.2 of the Act are identical, a news release is required only under the provision requiring the earlier news release.

(3) An acquiror that files a news release or report under sections 102.1 or 102.2 of the Act must promptly send a copy of each filing to the reporting issuer.

## **PART 8 EXEMPTIONS**

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

## **PART 9 CONSEQUENTIAL AMENDMENTS AND REVOCATIONS**

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

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

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

**9.4 Rule 13-502** – (1) Item 1, Part G of Appendix C to Rule 13-502 *Fees* is amended by replacing “100(3) or (7)” with “94.2(2), (3) or (4)”.

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

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

(a) in section 1.1(1),

(i) add the following after the definition of “applicable provisions”:

“associate” has the meaning ascribed to that term in section 1.1 of MI 62-104 and, in Ontario, has the meaning ascribed under paragraphs (a.1) to (f) of the definition of “associate” in subsection 1(1) of the *Securities Act* (Ontario);

(ii) repeal the definition of “early warning requirements” and substitute the following:

“early warning requirements” means the requirements set out in subsections 5.2(1) and 5.2(2) of MI 62-104 and, in Ontario, subsections 102.1(1) and 102.1(2) of the *Securities Act* (Ontario);

(iii) repeal the definition of “formal bid” and substitute the following:

“formal bid”

(a) means a take-over bid or issuer bid made in accordance with Part 2 of MI 62-104, and

(b) in Ontario, has the meaning ascribed to that term in subsection 89(1) of the *Securities Act* (Ontario);

(iv) add the following before the definition of “moratorium provisions”:

“MI 62-104” means Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*;

(v) repeal the definition of “moratorium provisions” and substitute the following:

“moratorium provisions” means the provisions set out in subsection 5.2(3) of MI 62-104 and, in Ontario, subsection 102.1(3) of the *Securities Act* (Ontario);

(vi) repeal the definition of “offeror” and substitute the following:

“offeror” has the meaning ascribed to that term in section 1.1 of MI 62-104 and, in Ontario, subsection 89(1) of the *Securities Act* (Ontario);

(vii) repeal the definition of “offeror’s securities” and substitute the following:

“offeror’s securities” has the meaning ascribed to that term in section 1.1 of MI 62-104 and, in Ontario, subsection 89(1) of the *Securities Act* (Ontario);

(viii) repeal the definition of “private mutual fund” and substitute:

“private mutual fund” means

(a) a private investment club referred to in section 2.20 of National Instrument 45-106 *Prospectus and Registration Exemptions*, or

(b) a private investment fund referred to in section 2.21 of National Instrument 45-106 *Prospectus and Registration Exemptions*;

(b) in subsection 2.1(1), strike “section 2.1 of National Instrument 62-102 *Disclosure of Outstanding Share Data* or”;



- (c) repeal subsection 5.1(b) and substitute the following:
  - (b) the business unit is not a joint actor with any other business unit with respect to the securities, determined without regard to the provisions of securities legislation that deem an affiliate, and presume an associate, to be acting jointly or in concert with an offeror;
- (d) repeal Appendix B;
- (e) repeal Appendix C;
- (f) repeal Appendix D and substitute the following:

**NATIONAL INSTRUMENT 62-103**

**APPENDIX D**

**BENEFICIAL OWNERSHIP**

<b>JURISDICTION</b>	<b>SECURITIES LEGISLATION REFERENCE</b>
ALBERTA	Sections 5 and 6 of the <i>Securities Act</i> (Alberta) and sections 1.8 and 1.9 of MI 62-104
BRITISH COLUMBIA	Subsection 1(4) of the <i>Securities Act</i> (British Columbia) and sections 1.8 and 1.9 of MI 62-104
MANITOBA	Subsections 1(6) and 1(7) of the <i>Securities Act</i> (Manitoba) and sections 1.8 and 1.9 of MI 62-104
NEW BRUNSWICK	Subsections 1(5) and 1(6) of the <i>Securities Act</i> (New Brunswick) and sections 1.8 and 1.9 of MI 62-104
NEWFOUNDLAND AND LABRADOR	Subsections 2(5) and 2(6) of the <i>Securities Act</i> (Newfoundland and Labrador) and sections 1.8 and 1.9 of MI 62-104
NORTHWEST TERRITORIES	Sections 1.8 and 1.9 of MI 62-104
NOVA SCOTIA	Subsections 2(5) and 2(6) of the <i>Securities Act</i> (Nova Scotia) and sections 1.8 and 1.9 of MI 62-104
NUNAVUT	Sections 1.8 and 1.9 of MI 62-104
ONTARIO	Subsections 1(5) and 1(6) and sections 90 and 91 of the <i>Securities Act</i> (Ontario)
PRINCE EDWARD ISLAND	Sections 1.8 and 1.9 of MI 62-104
QUEBEC	Sections 1.8 and 1.9 of MI 62-104
SASKATCHEWAN	Subsections 2(5) and 2(6) of <i>The Securities Act, 1988</i> (Saskatchewan) and sections 1.8 and 1.9 of MI 62-104
YUKON TERRITORY	Sections 1.8 and 1.9 of MI 62-104

- (g) in Appendix E,
  - (i) add the following after paragraph (e):
    - (e.1) the value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release;

- (ii) in paragraph (i), add “, in Canadian dollars” after “value” and strike “and” at the end of the paragraph;
- (iii) strike out “.” at the end of paragraph (j) and substitute “; and” and add the following after paragraph (j):
  - (k) if applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.

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

**PART 3 – BIDS FOR SECURITIES OF U.S. ISSUERS**

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

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

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

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

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

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

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

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

**PART 10 TRANSITION AND COMING INTO FORCE**

**10.1 Transition** – The take-over bid and issuer bid provisions in securities legislation that were in force immediately before the effective date of this Rule, continue to apply in respect of every take-over bid and issuer bid commenced before the effective date of this Rule.

**Effective date** – This Rule comes into force on February 1, 2008.

**FORM 62-504F1  
TAKE-OVER BID CIRCULAR**

**Part 1 General Provisions**

**(a) Incorporating information by reference**

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

**(b) Plain language**

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

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

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

**(c) Numbering and headings**

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

**Part 2 Contents of Take-Over Bid Circular**

**Item 1. Name and description of offeror**

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

**Item 2. Name of offeree issuer**

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

**Item 3. Securities subject to the bid**

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

**Item 4. Time period**

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

**Item 5. Consideration**

State the consideration to be offered. If the consideration includes securities, state the particulars of the designation, rights, privileges, restrictions and conditions attaching to those securities.

**Item 6. Ownership of securities of offeree issuer**

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

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

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

**Item 7. Trading in securities of offeree issuer**

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

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

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

**Item 8. Commitments to acquire securities of offeree issuer**

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

**Item 9. Terms and conditions of the bid**

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

**Item 10. Payment for deposited securities**

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

**Item 11. Right to withdraw deposited securities**

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

**Item 12. Source of funds**

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

- (a) the name of the lender,
- (b) the terms and financing conditions of the loan,
- (c) the circumstances under which the loan must be repaid, and
- (d) the proposed method of repayment.

**Item 13. Trading in securities to be acquired**

Provide a summary showing

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

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

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

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

(1) Disclose the particulars of any agreement, commitment or understanding made or proposed to be made between the offeror and a security holder of the offeree issuer relating to the bid, including a description of its purpose, its date, the identity of the parties, and its terms and conditions. Disclosure with respect to each agreement, commitment or understanding, other than an agreement that a security holder will tender securities to a take-over bid made by the offeror, must include

- (a) a detailed explanation as to how the offeror determined entering into it was not prohibited by section 97.1 of the Act, or
- (b) disclosure of the exception to, or exemption from, the prohibition against collateral agreements relied on by the offeror and the facts supporting that reliance.

(2) If the offeror is relying on an exception to the prohibition against collateral agreements under subparagraph 4.1(1)(b)(ii) of the Rule, and if the information is available to the offeror, disclose the review process undertaken by the independent committee of directors of the issuer and the basis on which the independent committee made its determination under clause 4.1(1)(b)(ii)(A) or (B) of the Rule.

**Item 16. Arrangements with or relating to the offeree issuer**

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

**Item 17. Purpose of the bid**

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

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

**Item 18. Valuation**

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

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

(1) If a take-over bid provides that the consideration for the securities of the offeree issuer is to be, in whole or in part, securities of the offeror or other issuer, include the financial statements and other information required in a prospectus of the issuer whose securities are being offered in exchange for the securities of the offeree issuer.

(2) For the purposes of subsection (1), provide the pro forma financial statements that would be required in a prospectus assuming that

- (a) the likelihood of the offeror completing the acquisition of the securities of the offeree issuer is high, and
- (b) the acquisition is a significant acquisition for the offeror.

(3) Despite subsection (1), the financial statements of the offeree issuer are not required to be included in the circular.

**Item 20. Right of appraisal and acquisition**

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

**Item 21. Market purchases of securities**

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

**Item 22. Approval of take-over bid circular**

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

**Item 23. Other material facts**

Describe

- (a) any material facts concerning the securities of the offeree issuer, and
- (b) any other matter not disclosed in the take-over bid circular that has not previously been generally disclosed, is known to the offeror, and that would reasonably be expected to affect the decision of the security holders of the offeree issuer to accept or reject the offer.

**Item 24. Solicitations**

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

**Item 25. Statement of rights**

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

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

**Item 26. Certificate**

A take-over bid circular certificate form must state:

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

**Item 27. Date of take-over bid circular**

Specify the date of the take-over bid circular.



**FORM 62-504F2  
ISSUER BID CIRCULAR**

**Part 1 General Provisions**

**(a) Incorporating information by reference**

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

**(b) Plain language**

Write the issuer bid circular so that readers are able to understand it and make informed investment decisions. Issuers should apply plain language principles when they prepare an issuer bid circular including:

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

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

**(c) Numbering and headings**

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

**Part 2 Contents of Issuer Bid Circular**

**Item 1. Name of issuer**

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

**Item 2. Securities subject to the bid**

State the class and number of securities that are the subject of the issuer bid and a description of the rights of the holders of any other class of securities that have a right to participate in the offer. Where the number of securities sought under the bid is subject to additional purchases by the issuer for the purpose of preventing security holders from being left with less than a standard trading unit, disclose this fact.

Where the issuer intends to rely on the exception from the proportionate take up and payment requirements found in subsection 4.2(2) of the Rule relating to "dutch auctions", the issuer is not required to disclose the number of securities that are the subject of the issuer bid if the issuer discloses a maximum amount the issuer intends to spend making purchases pursuant to the bid.

**Item 3. Time period**

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

**Item 4. Consideration**

State the consideration to be offered. If the consideration includes securities, state the particulars of the designation, rights, privileges, restrictions and conditions attaching to those securities.

**Item 5. Payment for deposited securities**

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

**Item 6. Right to withdraw deposited securities**

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

**Item 7. Source of funds**

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

- (a) the name of the lender,
- (b) the terms and financing conditions of the loan,
- (c) the circumstances under which the loan must be repaid, and
- (d) the proposed method of repayment.

**Item 8. Participation**

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

If an issuer intends to rely on one or both of the exceptions from the proportionate take up and payment requirements found in subsections 4.2(1) and (2) of the Rule relating to standard trading units and "dutch auctions", describe the mechanism under which securities would be deposited and taken up without proration.

**Item 9. Purpose of the bid**

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

**Item 10. Trading in securities to be acquired**

Provide a summary showing

- (a) the name of each principal market on which the securities sought are traded,

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

**Item 11. Ownership of securities of issuer**

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

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

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

**Item 12. Commitments to acquire securities of issuer**

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

**Item 13. Acceptance of issuer bid**

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

**Item 14. Benefits from the bid**

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

**Item 15. Material changes in the affairs of issuer**

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

**Item 16. Other benefits**

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

**Item 17. Arrangements between the issuer and security holders**

- (1) Disclose the particulars of any agreement, commitment or understanding made or proposed to be made between the issuer and a security holder of the issuer relating to the bid, including a description of its purpose, its date, the identity of the parties, and its terms and conditions. Disclosure with respect to each agreement, commitment or understanding, other than an agreement that a security holder will tender securities to an issuer bid, must include

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**Rules and Policies**

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- (a) a detailed explanation as to how the issuer determined entering into it was not prohibited by section 97.1 of the Act, or
  - (b) disclosure of the exception to, or exemption from, the prohibition against collateral agreements relied on by the issuer and the facts supporting that reliance.
- (2) If the issuer is relying on an exception to the prohibition against collateral agreements under subparagraph 4.1(1)(b)(ii) of the Rule, and if the information is available to the issuer, disclose the review process undertaken by the independent committee of directors of the issuer and the basis on which the independent committee made its determination under clause 4.1(1)(b)(ii)(A) or (B) of the Rule.

**Item 18. Previous purchases and sales**

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

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

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

**Item 19. Financial statements**

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

**Item 20. Valuation**

If a valuation is required by applicable securities legislation, include the disclosure regarding valuations required by securities legislation.

**Item 21. Securities of issuer to be exchanged for others**

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

**Item 22. Approval of issuer bid circular**

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

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

**Item 23. Previous distribution**

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

**Item 24. Dividend policy**

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

**Item 25. Tax consequences**

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

**Item 26. Expenses of bid**

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

**Item 27. Right of appraisal and acquisition**

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

**Item 28. Statement of rights**

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

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

**Item 29. Other material facts**

Describe

- (a) any material facts concerning the securities of the issuer, and
- (b) any other matter not disclosed in the issuer bid circular that has not previously been generally disclosed, is known to the issuer, and that would reasonably be expected to affect the decision of the security holders of the issuer to accept or reject the offer.

**Item 30. Solicitations**

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

**Item 31. Certificate**

An issuer bid circular certificate form must state:

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

**Item 32. Date of issuer bid circular**

Specify the date of the issuer bid circular.

**FORM 62-504F3  
DIRECTORS' CIRCULAR**

**Part 1 General Provisions**

**(a) Plain language**

Write the directors' circular so that readers are able to understand it and make informed investment decisions. Directors should apply plain language principles when they prepare a directors' circular including:

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

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

**(b) Numbering and headings**

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

**Part 2 Contents of Directors' Circular**

**Item 1. Name of offeror**

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

**Item 2. Name of offeree issuer**

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

**Item 3. Names of directors of the offeree issuer**

State the name of each director of the offeree issuer.

**Item 4. Ownership of securities of offeree issuer**

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

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

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

**Item 5. Acceptance of take-over bid**

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

**Item 6. Ownership of securities of offeror**

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

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

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

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

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

**Item 8. Arrangements between offeree issuer and officers and directors**

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

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

(1) If not already disclosed in the take-over bid circular, disclose the particulars of any agreement, commitment or understanding made or proposed to be made between the offeror and a security holder of the offeree issuer relating to the bid, including a description of its purpose, its date, the identity of the parties, and its terms and conditions. Disclosure with respect to each agreement, commitment or understanding, other than an agreement that a security holder will tender securities to a take-over bid made by the offeror, must include

- (a) a detailed explanation as to how the offeror determined entering into it was not prohibited by section 97.1 of the Act, or
- (b) disclosure of the exception to, or exemption from, the prohibition against collateral agreements relied on by the offeror and the facts supporting that reliance.

(2) If the offeror is relying on an exception to the prohibition against collateral agreements under subparagraph 4.1(1)(b)(ii) of the Rule and if not already disclosed in the take-over bid circular, disclose the review process undertaken by the independent committee of directors of the issuer and the basis on which the independent committee made its determination under clause 4.1(1)(b)(ii)(A) or (B) of the Rule.

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

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

**Item 11. Trading by directors, officers and other insiders**

(1) State the number of securities of the offeree issuer traded, the purchase or sale price and the date of each transaction during the 6-month period preceding the date of the directors' circular by the offeree issuer and each director, officer or other insider of the offeree issuer, and, if known after reasonable enquiry, by

- (a) each associate or affiliate of an insider of the offeree issuer,
- (b) each affiliate or associate of the offeree issuer, and
- (c) each person or company acting jointly or in concert with the offeree issuer.

(2) Disclose the number and price of securities of the offeree issuer of the class of securities subject to the bid or convertible into securities of that class that have been issued to the directors, officers and other insiders of the offeree issuer during the 2-year period preceding the date of the circular.

**Item 12. Additional information**

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

**Item 13. Material changes in the affairs of offeree issuer**

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

**Item 14. Other material information**

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

**Item 15. Recommending acceptance or rejection of the bid**

Include either a recommendation to accept or reject the take-over bid and the reasons for such recommendation or a statement that the directors are unable to make or are not making a recommendation. If no recommendation is made, state the reasons for not making a recommendation. If the directors of an offeree issuer are considering recommending acceptance or rejection of a take-over bid after the sending of the directors' circular, state that fact.



**Item 16. Response of offeree issuer**

Describe any transaction, directors' resolution, agreement in principle or signed contract of the offeree issuer in response to the bid. Disclose whether there are any negotiations underway in response to the bid, which relate to or would result in

- (a) an extraordinary transaction such as a merger or reorganization involving the offeree issuer or a subsidiary,
- (b) the purchase, sale or transfer of a material amount of assets by the offeree issuer or a subsidiary,
- (c) a competing take-over bid,
- (d) a bid by the offeree issuer for its own securities or for those of another issuer, or
- (e) any material change in the present capitalization or dividend policy of the offeree issuer.

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

**Item 17. Approval of directors' circular**

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

**Item 18. Statement of rights**

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

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

**Item 19. Certificate**

A directors' circular certificate form must state:

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

**Item 20. Date of directors' circular**

Specify the date of the directors' circular.

**FORM 62-504F4  
DIRECTOR'S OR OFFICER'S CIRCULAR**

**Part 1 General Provisions**

**(a) Plain language**

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

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

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

**(b) Numbering and headings**

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

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

**Item 1. Name of offeror**

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

**Item 2. Name of offeree issuer**

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

**Item 3. Name of director or officer of offeree issuer**

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

**Item 4. Ownership of securities of offeree issuer**

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

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

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

**Item 5. Acceptance of bid**

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

**Item 6. Ownership of securities of offeror**

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

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

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

**Item 7. Arrangements between offeror and director or officer**

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

**Item 8. Arrangements between offeree issuer and director or officer**

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

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

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

**Item 10. Additional information**

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

**Item 11. Material changes in the affairs of offeree issuer**

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

**Item 12. Other material information**

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

**Item 13. Recommendation**

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

**Item 14. Statement of rights**

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

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

**Item 15. Certificate**

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

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

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

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

**FORM 62-504F5  
NOTICE OF CHANGE OR NOTICE OF VARIATION**

**Part 1 General Provisions**

**(a) Plain language**

Write the notice of change or notice of variation so that readers are able to understand it and make informed investment decisions. Plain language principles should be applied when preparing a notice of change or notice of variation including:

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

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

**(b) Numbering and headings**

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

**Part 2 Contents of Notice of Change or Notice of Variation**

**Item 1. Name of offeror**

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

**Item 2. Name of offeree issuer (if applicable)**

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

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

- (1) A notice of change required under section 94.3 of the Act must contain
- (a) a description of the change in the information contained in

- (i) the take-over bid circular or issuer bid circular, and
  - (ii) any notice of change previously delivered under section 94.3,
  - (b) the date of the change,
  - (c) the date up to which securities may be deposited,
  - (d) the date by which securities deposited must be taken up by the offeror, and
  - (e) a description of the rights of withdrawal that are available to security holders.
- (2) A notice of variation required under section 94.4 of the Act must contain
- (a) a description of the variation in the terms of the take-over bid or issuer bid,
  - (b) the date of the variation,
  - (c) the date up to which securities may be deposited,
  - (d) the date by which securities deposited must be taken up by the offeror,
  - (e) if the date referred to in paragraph (d) is not known, a description of the legal requirements regarding the timing of take up of securities deposited under the bid,
  - (f) a description of when payment will be made for deposited securities in relation to the time in which they are taken up by the offeror, and
  - (g) a description of the rights of withdrawal that are available to security holders.
- (3) A notice of change required under section 95.1 or subsection 96(2) of the Act must contain, as applicable, a description of the change in the information contained in
- (a) the directors' circular,
  - (b) any notice of change previously delivered under section 95.1,
  - (c) the director's or officer's circular, or
  - (d) any notice of change previously delivered under subsection 96(2).

**Item 4. Statement of rights**

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

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

**Item 5. Certificate**

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

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

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