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NATIONAL INSTRUMENT 44-102 SHELF DISTRIBUTIONS

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

(1) In this Instrument

"acting jointly or in concert" has the meaning ascribed to that phrase in securities legislation;

"at-the-market distribution" means a non-fixed price distribution of equity securities under the shelf procedures into a pre-existing trading market in which securities of the same class are traded;

"base shelf prospectus" means a short form prospectus that is prepared in the form required under NI 44-101 as varied in accordance with this Instrument;

"clearing corporation" has the meaning ascribed to that term in National Instrument 81-102 *Investment Funds*;

"conventional convertible security" means a security of an issuer that is, according to its terms, convertible into, or exchangeable for, other securities of the issuer, or of an affiliate of the issuer;

"conventional warrant or right" means a security of an issuer, other than a clearing corporation, that gives the holder the right to purchase securities of the issuer or of an affiliate of the issuer;

"index participation unit" means a security traded on a stock exchange in Canada or the United States and issued by an issuer the only purpose of which is to

- (a) hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in the index; or
- (b) invest in a manner that causes the issuer to replicate the performance of that index;

"method 1" means the method described in Appendix A of providing forward looking forms of prospectus certificates in a base shelf prospectus or in a shelf prospectus supplement that establishes an MTN program or continuous distribution;

"method 2" means the method described in Appendix B of providing non-forward looking forms of prospectus certificates in a base shelf prospectus and a shelf prospectus supplement;

"MTN program" means a continuous distribution of debt securities in which the specific variable terms of the individual debt securities and the method of distribution of those securities are determined at the time of the distribution;

"novel" means,

- (a) for a specified derivative proposed to be distributed using the shelf procedures and that has an underlying interest that is not a security of the issuer,
 - (i) a derivative of a type that has not been distributed by the issuer by way of prospectus in a jurisdiction of Canada before the proposed distribution, or
 - (ii) a derivative of a type that has been distributed by the issuer by way of prospectus in a jurisdiction of Canada before the proposed distribution if
 - (A) the attributes of the derivative differ materially from the attributes of derivatives of the same type previously distributed by the issuer by way of prospectus,
 - (B) the structure and contractual arrangements underlying the derivative differ materially from the structure and contractual arrangements underlying

derivatives of the same type previously distributed by the issuer by way of prospectus, or

- (C) the type of the underlying interest for the derivative differs materially from the type of underlying interest for derivatives of the same type previously distributed by the issuer by way of prospectus, and
- (b) for an asset-backed security proposed to be distributed using the shelf procedures,
- (i) a security of a type that has not been distributed by way of prospectus in a jurisdiction of Canada before the proposed distribution, or
 - (ii) a security of a type that has been distributed by way of prospectus in a jurisdiction of Canada before the proposed distribution if
 - (A) the attributes of the security differ materially from the attributes of securities of the same type previously distributed by way of prospectus,
 - (B) the structure and contractual arrangements underlying the security differ materially from the structure and contractual arrangements underlying securities of the same type previously distributed by way of prospectus, or
 - (C) the type of financial assets servicing the security differ materially from the type of financial assets servicing securities of the same type previously distributed by way of prospectus;

"pricing supplement" means a shelf prospectus supplement that contains the price of securities distributed under an MTN program or other continuous distribution using the shelf procedures;

"shelf information" means the information permitted by this Instrument to be omitted from a base shelf prospectus;

"shelf procedures" means the requirements in this Instrument for the distribution of securities under a base shelf prospectus and a shelf prospectus supplement;

"shelf prospectus supplement" means a supplement to a base shelf prospectus, containing some or all of the information omitted from the base shelf prospectus as permitted by this Instrument;

"specified derivative" means an instrument, agreement or security, the market price, value or payment obligations of which are derived from, referenced to, or based on an underlying interest, other than one that is also

- (a) a conventional convertible security,
- (b) a specified asset-backed security,
- (c) an index participation unit,
- (d) a government or corporate strip bond,
- (e) a capital, equity dividend or income share of a subdivided equity or fixed income security,
- (f) a conventional warrant or right, or
- (g) a special warrant; and

"stabilization provisions" means those provisions of securities legislation that prohibit an issuer, selling securityholder, underwriter or dealer, or an affiliate of any of the foregoing persons or companies, or any person or company acting jointly or in concert with any of them from trading in securities being distributed by way of prospectus during the period of distribution.

1.1(2) Every term that is defined or interpreted in NI 41-101 or NI 44-101, the definition or interpretation of which is not restricted to a specific portion of NI 41-101 or NI 44-101, has, if used in this Instrument, the meaning ascribed to it in NI 41-101 or NI 44-101, unless otherwise defined or interpreted in this Instrument.

1.2 Amendments

References in this Instrument, other than in Appendix A and Appendix B, to an amendment to a prospectus include both an amendment that does not fully restate the text of a prospectus and an amended and restated prospectus.

1.3 Repealed

PART 2 SHELF QUALIFICATION AND PERIOD OF RECEIPT EFFECTIVENESS

2.1 General

An issuer shall not file a short form prospectus that is a base shelf prospectus, unless the issuer is qualified to do so under this Instrument.

2.2 Shelf Qualification for Distributions Qualified under Section 2.2 of NI 44-101 (Basic Qualification)

- (1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus if, at the time of filing, the issuer is qualified under section 2.2 of NI 44-101 to file a prospectus in the form of a short form prospectus.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.
- (3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101,
 - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101,
 - (iii) the issuer's equity securities are not listed or posted for trading on a short form eligible exchange,
 - (iv) the issuer is an issuer
 - (A) whose operations have ceased, or
 - (B) whose principal asset is cash, cash equivalents, or its exchange listing, or
 - (v) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; and

- (c) in Ontario, the lapse date prescribed by securities legislation.
- (d)

2.3 Shelf Qualification for Distributions Qualified under Section 2.3 of NI 44-101 (Designated Rating Non-Convertible Securities)

- (1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus for designated rating non-convertible securities if, at the time of filing, the issuer
 - (a) is qualified under section 2.3 of NI 44-101 to file a prospectus in the form of a short form prospectus; and
 - (b) has reasonable grounds for believing that, if it were to distribute securities under the base shelf prospectus, the securities distributed would receive a designated rating and would not receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has reasonable grounds for believing that, if it were to distribute non-convertible securities under the base shelf prospectus, the securities distributed would receive a designated rating and would not receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate .
- (3) A receipt issued for a base shelf prospectus of an issuer filed under subsection (2) is effective until the earliest of
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101,
 - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101,

- (iii) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101, or
- (iv) the securities to which the agreement relates
 - (A) have not received a final designated rating,
 - (B) are the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating, or
 - (C) have received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate; and
- (c) In Ontario, the lapse date prescribed by securities legislation.

2.4 Shelf Qualification for Distributions under Section 2.4 of NI 44-101 (Guaranteed Non-Convertible Debt Securities, Preferred Shares and Cash Settled Derivatives)

- (1) An issuer is qualified to file a short form prospectus that is a preliminary base shelf prospectus for non-convertible debt securities, non-convertible preferred shares or non-convertible cash settled derivatives if, at the time of filing, the issuer is qualified under section 2.4 of NI 44-101 to file a prospectus in the form of a short form prospectus.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.
- (3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of
 - (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) a credit supporter has not provided full and unconditional credit support for the securities to which the shelf prospectus supplement relates,

- (ii) unless the requirements of subparagraph 2.4(1)(b)(ii) of NI 44-101, but not the requirements of subparagraph 2.4(1)(b)(i) of NI 44-101, were satisfied at the time the issuer filed its base shelf prospectus, the credit supporter does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101,
- (iii) unless the requirements of subparagraph 2.4(1)(b)(ii) of NI 44-101, but not the requirements of subparagraph 2.4(1)(b)(i) of NI 44-101, were satisfied at the time the issuer filed its base shelf prospectus, the credit supporter does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101,
- (iv) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101, or
- (v) either of the following is true
 - (A) the credit supporter's equity securities are not listed or posted for trading on a short form eligible exchange, or
 - (B) the credit supporter is a credit supporter
 - (I) whose operations have ceased, or
 - (II) whose principal asset is cash, cash equivalents, or its exchange listing, and

either of the following is true:

- (C) the credit supporter does not have issued and outstanding non-convertible securities that
 - (I) have received an approved rating,
 - (II) have not been the subject of an announcement by an designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a

rating category that would not be an approved rating, and

(III) have not received a rating lower than a designated rating from any designated rating organization or its DRO affiliate, or

(D) the securities to which the agreement relates

(I) have not received a final approved rating,

(II) have been the subject of an announcement by an designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be an approved rating, and

(III) have received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate; and

(c) in Ontario, the lapse date prescribed by securities legislation.

2.5 Shelf Qualification for Distributions under Section 2.5 of NI 44-101 (Guaranteed Convertible Debt Securities or Preferred Shares)

(1) An issuer is qualified to file a short form prospectus that is a preliminary base shelf prospectus for convertible debt securities and convertible preferred shares if, at the time of filing, the issuer is qualified under section 2.5 of NI 44-101 to file a prospectus in the form of a short form prospectus.

(2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.

(3) A receipt issued for a base shelf prospectus qualified under subsection (2) is effective until the earliest of

(a) the date 25 months from the date of its issue;

- (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time
 - (i) the securities to which the agreement relates are not convertible into securities of a credit supporter that has provided full and unconditional credit support for the securities being distributed,
 - (ii) the credit supporter does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101,
 - (iii) the credit supporter does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101,
 - (iv) the credit supporter's equity securities are not listed or posted for trading on a short form eligible exchange,
 - (v) the credit supporter is a credit supporter
 - (A) whose operations have ceased, or
 - (B) whose principal asset is cash, cash equivalents, or its exchange listing, or
 - (vi) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; and
- (c) in Ontario, the lapse date prescribed by securities legislation.

2.6 Shelf Qualification for Distributions under Section 2.6 of NI 44-101 (Asset-Backed Securities)

- (1) An issuer that is qualified under section 2.6 of NI 44-101 to file a prospectus in the form of a short form prospectus may file a preliminary base shelf prospectus for asset-backed securities if, at the time of filing, the issuer has reasonable grounds for believing that
 - (a) all asset-backed securities that it may distribute under the base shelf prospectus will receive an approved rating; and
 - (b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate.

- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in section 2.6 of NI 44-101 may file the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has reasonable grounds for believing that
- (a) all asset-backed securities that it may distribute under the base shelf prospectus will receive an approved rating; and
 - (b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate.
- (3) A receipt issued for a base shelf prospectus qualified under subsection (2) is effective for a distribution of asset-backed securities until the earliest of
- (a) the date 25 months from the date of its issue;
 - (b) the time immediately before the entering into of an agreement of purchase and sale for an asset-backed security to be sold under the base shelf prospectus, if at that time
 - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101,
 - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101, or
 - (iii) the asset-backed securities to which the agreement relates
 - (A) have not received a final approved rating,
 - (B) have been the subject of an announcement by an designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be an approved rating, or
 - (C) have received a provisional or final rating lower than an designated rating from any designated rating organization or its DRO affiliate; and
 - (c) in Ontario, the lapse date prescribed by securities legislation.

2.7 Lapse Date - Ontario

In Ontario, the lapse date prescribed by securities legislation for a receipt issued for a base shelf prospectus is extended to the date 25 months from the date of issuance of the receipt.

2.8 *Repealed*

2.9 Limitation on Offerings

Despite any provision in this Instrument, the shelf procedures shall not be used for a distribution of rights under a rights offering.

PART 3 UNALLOCATED SHELF

3.1 Unallocated Shelf Permitted

A base shelf prospectus may pertain to more than one type of security for which the issuer is qualified to file a prospectus in the form of a short form prospectus.

3.2 Distributions of Equity Securities Under Unallocated Shelf

An issuer or selling securityholder that forms a reasonable expectation that a distribution of a tranche of equity securities will proceed under a base shelf prospectus that is not specifically restricted to equity securities shall immediately issue a news release that announces the intention to proceed with the distribution.

PART 4 DISTRIBUTIONS OF NOVEL DERIVATIVES OR ASSET-BACKED SECURITIES UNDER SHELF

4.1 Distributions of Novel Derivatives or Asset-Backed Securities Under Shelf

- (1) If a base shelf prospectus pertains to specified derivatives or asset-backed securities, the issuer or the selling securityholder, as the case may be, shall file before or concurrently with the base shelf prospectus an undertaking that it will not distribute in the local jurisdiction under the base shelf prospectus specified derivatives or asset-backed securities, as the case may be, that, at the time of distribution, are novel without pre-clearing with the regulator in accordance with subsection (2) the disclosure to be contained in a shelf prospectus supplement pertaining to the distribution of the novel specified derivatives or asset-backed securities.
- (2) The undertaking referred to in subsection (1) shall state that the issuer or the selling securityholder, as the case may be, shall not distribute in the local jurisdiction specified derivatives or asset-backed securities that, at the time of distribution, are novel, unless

- (a) the draft shelf prospectus supplement or, if more than one shelf prospectus supplement is to be used, the draft shelf prospectus supplements, pertaining to the distribution of the novel specified derivatives or asset-backed securities have been delivered to the regulator in substantially final form; and
- (b) either
 - (i) the regulator has confirmed his or her acceptance of each draft shelf prospectus supplement in substantially final form or each shelf prospectus supplement in final form, or
 - (ii) 10 business days have elapsed since the date of delivery to the regulator of each draft shelf prospectus supplement in substantially final form and the regulator has not provided written comments on the draft shelf prospectus supplement.

PART 5 BASE SHELF PROSPECTUSES

5.1 Opting out of the Shelf Procedures After a Preliminary Prospectus has been Received

An issuer that has filed a preliminary base shelf prospectus shall not file a short form prospectus for the distribution that is not a base shelf prospectus unless the issuer files

- (a) either
 - (i) an amended preliminary short form prospectus in accordance with NI 44-101 that is not a preliminary base shelf prospectus, or
 - (ii) a new preliminary short form prospectus that is not a preliminary base shelf prospectus; and
- (b) a covering letter stating that the issuer or the selling securityholder, as the case may be, has decided not to use the shelf procedures for the distribution.

5.2 Opting into the Shelf Procedures After a Preliminary Prospectus has been Received

An issuer that has filed a preliminary short form prospectus that is not a preliminary base shelf prospectus shall not file a base shelf prospectus for the distribution unless the issuer files

- (a) either
 - (i) an amended preliminary base shelf prospectus in accordance with this Instrument, or

- (ii) a new preliminary short form prospectus that is a preliminary base shelf prospectus in accordance with this Instrument; and
- (b) a covering letter stating that the issuer or the selling securityholder, as the case may be, has decided to use the shelf procedures for the distribution.

5.3 Form of Base Shelf Prospectus

Despite National Instrument 44-101, a short form prospectus that is a base shelf prospectus may vary from Form 44-101F1 to the extent required or permitted by this Instrument.

5.4 Dollar Value of Securities

A base shelf prospectus shall pertain to no more than the dollar value of securities that the issuer or selling securityholder proposing to distribute securities under the base shelf prospectus reasonably expects, at the time the base shelf prospectus is filed, to distribute within 25 months after the date of the receipt for the base shelf prospectus.

5.5 Required Disclosure

A base shelf prospectus shall contain the following:

1. A statement at the top of the cover page identifying the short form prospectus as a base shelf prospectus.
2. The following statement in red ink in italics on the cover page:

"This short form prospectus has been filed under legislation in [insert name[s] of the jurisdiction[s] where qualified] that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities."

3. A statement that all shelf information omitted from the base shelf prospectus will be contained in one or more shelf prospectus supplements that will be delivered to purchasers together with the base shelf prospectus.
4. A statement that each shelf prospectus supplement will be incorporated by reference into the base shelf prospectus for the purposes of securities legislation as of the date of the shelf prospectus supplement and only for

the purposes of the distribution of the securities to which the shelf prospectus supplement pertains.

5. A statement of the aggregate dollar amount of securities that may be raised under the base shelf prospectus.
6. Disclosure of the types of securities that may be distributed under the base shelf prospectus.
7. If an undertaking is required to be filed under subsection 4.1(1), a statement that the issuer or the selling securityholder, as the case may be, has filed an undertaking that it will not distribute specified derivatives or asset-backed securities, as the case may be, that, at the time of distribution, are novel without pre-clearing with the regulator the disclosure to be contained in the shelf prospectus supplement pertaining to the distribution of the novel specified derivatives or asset-backed securities.
8. The prospectus certificates required by Part 5 of NI 41-101 or other securities legislation, in the issuer certificate form or underwriter certificate form prescribed by
 - (a) method 1, if
 - (i) the base shelf prospectus is being used to establish an MTN program or other continuous distribution, or
 - (ii) method 2 has not been elected; or
 - (b) method 2, if method 2 has been elected.
9. List all exemptions from the provisions of this Instrument granted to the issuer applicable to the base shelf prospectus, including all exemptions to be evidenced by the issuance of a receipt for the base shelf prospectus pursuant to section 11.2.

5.6 Disclosure that may be Omitted

If the specified circumstances exist, a base shelf prospectus may omit the following information:

1. The variable terms of the securities that may be distributed under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.
2. The dollar amount, size and other specific terms of each tranche of securities that may be distributed under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.

3. The variable terms of the plans of distribution for the securities that may be distributed under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.
4. The name and prospectus certificate of an underwriter if, at the time of the filing of the base shelf prospectus, no underwriter is, and it is not known to the issuer that a particular underwriter will be, in a contractual relationship with the issuer or selling securityholder requiring the underwriter to distribute under the base shelf prospectus.
5. If one or more underwriters have agreed to purchase the securities to be distributed under the base shelf prospectus at a specified price, the statement required under Form 44-101F1 that the securities are to be taken up by the underwriters, if at all, on or before a specified date.
6. If the securities to be distributed under the base shelf prospectus are underwritten on a best efforts basis for which a minimum amount of funds are required by an issuer, the disclosure required under Form 44-101F1 concerning the maximum length of time for which the distribution may continue and concerning the disposition of subscription funds.
 - 6.1 The information required under item 7A of Form 44-101F1 for securities that may be distributed under the base shelf prospectus, if the specific series or class of securities that will be distributed under the base shelf prospectus is not known on the date the base shelf prospectus is filed.
7. Any other information that pertains only to a specific distribution of securities under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.
8. Any other information required under National Instrument 44-101 or other securities legislation that is not known and cannot be ascertained at the time of filing of the base shelf prospectus.

5.7 Issue of Receipt

Despite the omission of shelf information, the regulator may issue a receipt for a base shelf prospectus.

5.8 Amendments

if a material change occurs at a time when no securities are being distributed under a base shelf prospectus, the provisions in Part 6 of NI 41-101 or other securities legislation that require the filing of an amendment to a prospectus if a material change occurs are satisfied by

- (a) the filing of a material change report, and

- (b) the incorporation by reference in the base shelf prospectus of the material change report.

PART 6 SHELF PROSPECTUS SUPPLEMENTS

6.1 Requirement to Use Shelf Prospectus Supplements

An issuer or selling securityholder that distributes securities under a base shelf prospectus shall supplement the disclosure in the base shelf prospectus with a shelf prospectus supplement, or more than one shelf prospectus supplement, in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities distributed under the prospectus.

6.2 Incorporation by Reference

- (1) An issuer shall incorporate by reference in the corresponding base shelf prospectus, by means of a statement in the base shelf prospectus, each shelf prospectus supplement referred to in section 6.1 as of the date of the shelf prospectus supplement and only for purposes of the distribution to which the shelf prospectus supplement pertains.
- (2) If an issuer does not incorporate by reference in a base shelf prospectus a shelf prospectus supplement required to be incorporated by reference under subsection (1), the shelf prospectus supplement is conclusively deemed for purposes of securities legislation to be incorporated by reference in the issuer's base shelf prospectus as of the date of the shelf prospectus supplement and only for purposes of the distribution to which the shelf prospectus supplement pertains.
- (3) Subject to subsection (4), any unaudited financial statements, other than *pro forma* financial statements, incorporated by reference into the base shelf prospectus but filed after the date of filing the base shelf prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by a person or company's auditor or a public accountant's review of financial statements.
- (4) If NI 52-107 permits the financial statements of the person or company in subsection (3) to be audited in accordance with
 - (a) U.S. AICPA GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the American Institute of Certified Public Accountants,
 - (a.1) U.S. PCAOB GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the

Public Company Accounting Oversight Board (United States of America),

- (b) International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with International Standards on Review Engagement issued by the International Auditing and Assurance Standards Board, or
- (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, the unaudited financial statements
 - (i) may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction, or
 - (ii) do not have to be reviewed if
 - (A) the designated foreign jurisdiction does not have review standards for unaudited financial statements, and
 - (B) the base shelf prospectus includes disclosure that the unaudited financial statements have not been reviewed.
- (5) The review specified in subsection (3), if applicable, must have been completed
 - (a) if the base shelf prospectus established an MTN program or other continuous offering, no later than filing of the unaudited financial statements; or
 - (b) in all other circumstances, no later than the next filing of a shelf supplement.

6.3 Shelf Prospectus Supplement Disclosure

- (1) A shelf prospectus supplement shall contain the following:
 - 1. The name of the issuer on the cover page.
 - 2. The dates of the corresponding base shelf prospectus and of each previously filed shelf prospectus supplement corresponding to the same base shelf prospectus and pertaining to the same distribution, on the cover page.

3. The prospectus certificates required by Part 5 of NI 41-101 and other securities legislation, in the issuer certificate form or underwriter certificate form prescribed by
 - (a) method 1, if the shelf prospectus supplement establishes an MTN program or other continuous distribution; or
 - (b) method 2, if the prospectus certificate forms prescribed by method 1 have not been included in the corresponding base shelf prospectus and if method 1 is not mandatory under paragraph (a).
 4. A list of each document that is incorporated by reference into the corresponding base shelf prospectus as of the date of the shelf prospectus supplement and provides disclosure pertaining to the securities being distributed under the shelf prospectus supplement.
- (2) If only one shelf prospectus supplement is used to supplement the disclosure in the corresponding base shelf prospectus pertaining to a distribution of securities, that shelf prospectus supplement shall contain the following, and if more than one shelf prospectus supplement is used to supplement the disclosure in the corresponding base shelf prospectus pertaining to a distribution of securities, the shelf prospectus supplements used shall, together, contain the following:
1. All of the shelf information pertaining to the distribution of securities that was not disclosed in the corresponding base shelf prospectus.
 2. All material facts relating to the securities to be distributed and all other information required under securities legislation to be disclosed in a short form prospectus that is not disclosed, either directly or through incorporation by reference, in the corresponding base shelf prospectus.

6.4 Filing Requirement For Shelf Prospectus Supplements

- (1) A shelf prospectus supplement shall be filed in the local jurisdiction if a base shelf prospectus to which the shelf prospectus supplement pertains was filed in the local jurisdiction.
- (2) A shelf prospectus supplement that is required to be filed under subsection (1) shall be filed,
 - (a) if the shelf prospectus supplement pertains to a distribution of securities, other than an MTN program or other continuous distribution, on or before the earlier of

- (i) the date the shelf prospectus supplement was first sent or delivered to a purchaser or a prospective purchaser, and
 - (ii) the date two business days after the offering price of the securities to which it pertains is determined; or
- (b) in all other circumstances, on or before the date two business days after the date the shelf prospectus supplement was first sent or delivered to a purchaser or a prospective purchaser.

6.5 Underwriters' Conflicts of Interest

For a distribution of securities under a base shelf prospectus, the provisions of National Instrument 33-105 *Underwriting Conflicts*.

- (a) concerning the participation of independent underwriters shall be satisfied
 - i. on a tranche-by-tranche basis for a distribution other than an MTN program or other continuous distribution, or
 - ii. on the basis of the total dollar amount of securities that, at any given time, have been or are being distributed under the program or distribution for a distribution of securities under an MTN program or other continuous distribution; and
- (b) concerning disclosure, to the extent not previously satisfied in the base shelf prospectus, shall be satisfied by including the prescribed disclosure in a shelf prospectus supplement pertaining to the distribution.

6.6 Market Stabilization

The stabilization provisions shall be satisfied on a tranche-by-tranche basis for a non continuous distribution of securities under a base shelf prospectus.

6.7 Delivery Requirement

The shelf prospectus supplement or supplements that, together with the corresponding base shelf prospectus, contain full, true and plain disclosure of all material facts relating to the securities being distributed shall be sent by prepaid mail or delivered to a purchaser of the securities with the base shelf prospectus.

6.8 Disclosure that may be Omitted

A shelf prospectus supplement may omit any prospectus certificates required by Part 5 of NI 41-101 or other securities legislation, if the person or company required to sign the certificate signed a prospectus certificate in the issuer certificate form or underwriter

certificate form prescribed by method 1 included in a base shelf prospectus or a shelf prospectus supplement qualifying the securities being distributed.

PART 7 SHELF SUPPORTING DOCUMENTS

7.1 General

The provisions of NI 44-101 requiring the filing of supporting documents with a preliminary short form prospectus, a short form prospectus or a prospectus amendment apply to a filing of a preliminary base shelf prospectus, a base shelf prospectus or an amendment to a preliminary base shelf prospectus or to a base shelf prospectus, except to the extent varied in this Part.

7.2 Consents

- (1) If any notary in Québec, solicitor, auditor, accountant, engineer or appraiser, or any other person or company whose profession or business gives authority to a statement made by that person or company, is
 - (a) named in a document that is
 - (i) incorporated by reference into a base shelf prospectus, and
 - (ii) filed after the date of filing of the base shelf prospectus; and
 - (b) named in the document
 - (i) as having prepared or certified any part of the base shelf prospectus, amendment or shelf prospectus supplement,
 - (ii) as having opined on financial statements from which selected information included in the base shelf prospectus, amendment or shelf prospectus supplement has been derived and which audit opinion is referred to in the base shelf prospectus, amendment or shelf prospectus supplement directly or in a document incorporated by reference, or

- (iii) as having prepared or certified a report, valuation, statement or opinion referred to in the base shelf prospectus, amendment or shelf prospectus supplement, directly or in a document incorporated by reference,

the issuer shall file the written consent of the person or company to being named and to the use of that report, valuation, statement or opinion in accordance with subsection (2).

(1.1) Despite subsection (1), if the expert whose consent is required is a "qualified person" as defined in NI 43-101, the issuer is not required to file the consent of the qualified person if

- (a) the qualified person's consent is required in connection with a technical report that was not required to be filed with the preliminary base shelf prospectus,
- (b) the qualified person was employed by a person or company at the date of signing the technical report,
- (c) the principal business of the person or company is providing engineering or geoscientific services, and
- (d) the issuer files the consent of the person or company.

(1.2) A consent filed under subsection (1.1) must be signed by an individual who is an authorized signatory of the person or company and who falls within paragraphs (a), (b), (d) and (e) of the definition of "qualified person" in NI 43-101.

(2) A consent of an expert required under subsection (1) or subsections (1.1) and (1.2) shall be filed in accordance with the following:

- 1. If the document in which the expert is named is incorporated by reference into the base shelf prospectus by means of a statement to that effect in the base shelf prospectus, the consent shall be filed
 - (a) no later than the time the document is filed, if the base shelf prospectus establishes an MTN program or other continuous distribution; and
 - (b) in all other circumstances, no later than the time of the next filing of a shelf prospectus supplement corresponding to the base shelf prospectus.

2. If the document in which the expert is named is incorporated by reference into a shelf prospectus supplement by means of a statement to that effect in the shelf prospectus supplement and filed before or concurrently with the shelf prospectus supplement, the consent shall be filed no later than the time the shelf prospectus supplement is filed.
3. If the document in which the expert is named is incorporated by reference into a shelf prospectus supplement by means of a statement to that effect in the shelf prospectus supplement and filed after the shelf prospectus supplement is filed, the consent shall be filed no later than the time the document is filed.

7.3 Repealed

7.4 Underwriting Agreements

- (1) If, at the time an issuer files a base shelf prospectus, no underwriter is in a contractual relationship with the issuer or selling securityholder requiring the underwriter to distribute securities under the base shelf prospectus, the issuer is not required to file a copy of an underwriting agreement with the base shelf prospectus.
- (2) If an underwriter enters into a contractual relationship with an issuer or selling securityholder requiring the underwriter to distribute securities under a base shelf prospectus after the base shelf prospectus is filed, the issuer shall file a copy of the underwriting agreement pertaining to the distribution concurrently with the next shelf prospectus supplement filed pertaining to that distribution.

PART 8 MEDIUM TERM NOTE PROGRAMS AND OTHER CONTINUOUS DISTRIBUTIONS UNDER SHELF

8.1 General

An issuer that is qualified under Part 2 to file a base shelf prospectus for securities may distribute those securities by way of an MTN program or other continuous distribution, if it files

- (a) a base shelf prospectus or a shelf prospectus supplement that establishes the program or distribution; and
- (b) a pricing supplement.

8.2 Additional Disclosure Requirements

- (1) Despite section 5.6, a base shelf prospectus or shelf prospectus supplement that establishes an MTN program or other continuous distribution shall contain the following:
 1. A description of the method of distribution, including the name of any underwriter involved in the distribution and the amount of any underwriting fee, discount or commission.
 2. A description of the intended parameters of the terms of the MTN program or other continuous distribution.
 3. At the option of the issuer or selling securityholder proposing to distribute securities under the MTN program or other continuous distribution, a statement that the issuer or selling securityholder, as the case may be, reserves the right to issue securities under the MTN program or other continuous distribution on terms outside the intended parameters disclosed under paragraph 2.
- (2) A pricing supplement for an MTN program or other continuous distribution under the shelf procedures shall contain the following:
 1. The terms of the securities distributed that are not disclosed in the base shelf prospectus or shelf prospectus supplement establishing the MTN program or other continuous distribution.
 2. A list of each document that is incorporated by reference into the corresponding base shelf prospectus as of the date of the pricing supplement and that provides disclosure pertaining to the securities being distributed under the MTN program or other continuous distribution.

8.3 Filing Requirement

If an issuer sends or delivers to a purchaser or a prospective purchaser in the local jurisdiction a pricing supplement in a particular month, the issuer shall, despite section 6.4, file within seven days after the end of the month

- (a) a copy of each pricing supplement sent or delivered to a purchaser or prospective purchaser during the month, if the pricing supplement had not previously been sent or delivered to any purchaser or prospective purchaser; or
- (b) a summary of the information contained in each pricing supplement sent or delivered to a purchaser or prospective purchaser during the month, including

- (i) a list of the pricing supplements referred to in paragraph (a),
- (ii) the terms of the securities distributed under each pricing supplement sent or delivered to a purchaser or a prospective purchaser during the month, and
- (iii) the aggregate amount of securities distributed under each pricing supplement sent or delivered to a purchaser or a prospective purchaser during the month.

8.4 Requirement to Update Earnings Coverage Ratios

An issuer distributing securities by way of an MTN program or other continuous distribution using the shelf procedures shall

- (a) calculate updated earnings coverage ratios for the ratios contained in its base shelf prospectus each time the issuer prepares an interim financial report or audited annual financial statements, using the 12 month period that ended on the last day of the most recently completed financial period; and
- (b) file the updated earnings coverage ratios, concurrently with the filing of its financial statements, either
 - (i) as an exhibit to the financial statements, or
 - (ii) as a shelf prospectus supplement corresponding to the base shelf prospectus.

PART 9 AT-THE-MARKET DISTRIBUTIONS OF EQUITY SECURITIES UNDER SHELF

9.1 At-the-Market Distributions of Equity Securities Under Shelf

- (1) Despite section 7.2 of National Instrument 41-101, equity securities may be distributed by way of an at-the-market distribution using the shelf procedures if the market value of equity securities distributed does not exceed 10% of the aggregate market value of the issuer's outstanding equity securities of the same class as the class of securities distributed, calculated in accordance with section 9.2, as at the last trading day of the month before the month in which the first trade under the at-the-market distribution is made.
- (2) No underwriter or dealer distributing equity securities by way of an at-the-market distribution, or any affiliate of such an underwriter or dealer, or any person or company acting jointly or in concert with such an underwriter or dealer, shall, in connection with the distribution, over-allot the securities or effect a transaction that is intended to stabilize or maintain the market price of the securities.

- (3) An issuer shall include in a base shelf prospectus or shelf prospectus supplement pertaining to an at-the-market distribution a statement that no underwriter or dealer involved in the distribution, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer has over-allotted, or will over-allot, securities in connection with the distribution or effect any other transactions that are intended to stabilize or maintain the market price of the securities.

9.2 Market Value Calculation

- (1) For the purposes of this Part,
 - (a) the aggregate market value of the equity securities of an issuer on a date is the aggregate of the market value of each class of its equity securities on the date, calculated by multiplying
 - (i) the total number of equity securities of the class outstanding on the date, by
 - (ii) the closing price on the date of the equity securities of the class on the exchange in Canada on which that class of equity securities is principally traded; and
 - (b) instalment receipts may, at the option of the issuer, be deemed to be equity securities if
 - (i) the instalment receipts are listed and posted for trading on an exchange in Canada, and
 - (ii) the outstanding equity securities, the beneficial ownership of which is evidenced by the instalment receipts, are not listed and posted for trading on an exchange in Canada.
- (2) For the purposes of subsection (1), in calculating the total number of equity securities of a class outstanding, an issuer shall exclude those equity securities of the class that are beneficially owned, or controlled or directed, directly or indirectly, by persons or companies that, alone or together with their respective affiliates and associated parties, beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding equity securities of the issuer.
- (3) Despite subsection (2), if a portfolio manager of a pension fund or investment fund, alone or together with its affiliates and associated parties, exercises control or direction, directly or indirectly, in the aggregate over more than 10% of the outstanding equity securities of an issuer, and the fund beneficially owns, or controls or directs, directly or indirectly, 10% or less of the issued and outstanding equity securities of the

issuer, the securities that the fund beneficially owns, or controls or directs, directly or indirectly, are not excluded unless the portfolio manager is an affiliate of the issuer.

PART 9A: Marketing in Connection with Shelf Distributions

Definitions

9A.1 (1) In this Part,

“comparables” means information that compares an issuer to other issuers;

“U.S. cross-border offering” means an offering of securities of an issuer being made contemporaneously in the United States of America and Canada by way of a prospectus filed with a securities regulatory authority in a jurisdiction of Canada and a U.S. prospectus filed with the SEC;

“U.S. prospectus” means a prospectus that has been prepared in accordance with the disclosure and other requirements of U.S. federal securities law for an offering of securities registered under the 1933 Act.

- (2) In this Part, for greater certainty, a reference to “provides” includes showing a document to a person without allowing the person to retain or make a copy of the document.

Standard Term Sheets after a Receipt for a Final Base Shelf Prospectus

9A.2 (1) An investment dealer must not provide a standard term sheet to potential investor after a receipt for a final base shelf prospectus or any amendment is issued unless

- (a) the standard term sheet complies with subsections (2) and (3);
- (b) other than contact information for the investment dealer or underwriters, all information in the standard term sheet concerning the issuer, the securities or the offering
 - (i) is disclosed in, or derived from, the final base shelf prospectus, any amendment or an applicable shelf prospectus supplement that has been filed, or
 - (ii) will be disclosed in, or derived from, an applicable shelf prospectus supplement that is subsequently filed; and
- (c) a receipt for the final base shelf prospectus has been issued in the local jurisdiction.

- (2) A standard term sheet provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada].

Copies of the final base shelf prospectus, and any applicable shelf prospectus supplement, may be obtained from [*insert contact information for the investment dealer or underwriters*].

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- (3) A standard term sheet provided under subsection (1) may contain only the information referred to in subsection (2) and the information referred to in subsection 13.5(3) of NI 41-101.

Marketing Materials after a Receipt for a Final Base Shelf Prospectus

- 9A.3 (1) An investment dealer must not provide marketing materials to a potential investor after a receipt for a final base shelf prospectus or any amendment is issued unless
- (a) the marketing materials comply with subsections (2) to (8);
 - (b) other than contact information for the investment dealer or underwriters and any comparables, all information in the marketing materials concerning the issuer, the securities or the offering
 - (i) is disclosed in, or derived from, the final base shelf prospectus, any amendment or an applicable shelf prospectus supplement that has been filed, or
 - (ii) will be disclosed in, or derived from, an applicable shelf prospectus supplement that is subsequently filed;
 - (c) other than prescribed language, the marketing materials contain the same cautionary language in bold type as contained on the cover page, and in the summary, of the final base shelf prospectus;
 - (d) a template version of the marketing materials is approved in writing

by the issuer and the lead underwriter before the marketing materials are provided;

- (e) a template version of the marketing materials is filed on or before the day that the marketing materials are first provided;
 - (f) a receipt for the final base shelf prospectus has been issued in the local jurisdiction; and
 - (g) the investment dealer provides a copy of the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement that has been filed, with the marketing materials.
- (2) If a template version of the marketing materials is approved in writing by the issuer and lead underwriter under paragraph (1)(d) and filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that
- (a) has a date that is different than the template version;
 - (b) contains a cover page referring to the investment dealer or underwriters or a particular investor or group of investors;
 - (c) contains contact information for the investment dealer or underwriters; or
 - (d) has text in a format, including the type's font, colour or size, that is different than the template version.
- (3) If a template version of the marketing materials is divided into separate sections for separate subjects and is approved in writing by the issuer and lead underwriter under paragraph (1)(d), and that template version is filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that includes only one or more of those separate sections.
- (4) The issuer may remove any comparables, and any disclosure relating to those comparables, from the template version of the marketing materials before filing it under paragraph (1)(e) or subparagraph (7)(b)(ii) if
- (a) the comparables, and any disclosure relating to the comparables, are in a separate section of the template version of the marketing materials;
 - (b) the template version of the marketing materials that is filed contains a note advising that the comparables, and any disclosure relating to the comparables, were removed in accordance with this subsection, provided that the note appears immediately after

where the removed comparables and related disclosure would have been;

- (c) if the prospectus is filed in the local jurisdiction, a complete template version of the marketing materials containing the comparables, and any disclosure relating to the comparables, is delivered to the securities regulatory authority; and
 - (d) the complete template version of the marketing materials contains the disclosure referred to in paragraph 13.7(4)(d) of NI 41-101.
- (5) Marketing materials provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada]. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- (6) An investment dealer must not provide marketing materials under subsection (1) after a receipt for the final base shelf prospectus is issued and after the applicable shelf prospectus supplement is filed unless the issuer
- (a) has included the template version of the marketing materials filed under paragraph (1)(e) in the applicable shelf prospectus supplement, or incorporated by reference the template version of the marketing materials filed under paragraph (1)(e) into the applicable shelf prospectus supplement in the manner described in paragraph 4 of subsection 6.3(1), or
 - (b) has included in the applicable base shelf prospectus a statement that any template version of the marketing materials filed after the date of the shelf prospectus supplement and before the termination of the distribution is deemed to be incorporated into the shelf prospectus supplement.

- (7) If marketing materials are provided under subsection (1) after a receipt for the final base shelf prospectus is issued but before the applicable shelf prospectus supplement is filed, the issuer must
- (a) include the template version of the marketing materials filed under paragraph (1)(e) in the applicable shelf prospectus supplement, or incorporate by reference the template version of the marketing materials filed under paragraph (1)(e) into the applicable shelf prospectus supplement in the manner described in paragraph 4 of subsection 6.3(1); and
 - (b) if the applicable shelf prospectus supplement modifies a statement of material fact that appeared in marketing materials provided earlier under subsection (1),
 - (i) indicate in the shelf prospectus supplement that the template version of the marketing materials is not part of the shelf prospectus supplement to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in the shelf prospectus supplement,
 - (ii) prepare and file, at the time the issuer files the shelf prospectus supplement, a revised template version of the marketing materials that is blacklined to show the modified statement,
 - (iii) provide details in the shelf prospectus supplement of how the statement in the marketing materials has been modified, and
 - (iv) disclose in the shelf prospectus supplement that pursuant to subsection (7),
 - (A) the issuer has prepared a revised template version of the marketing materials which has been blacklined to show the modified statement, and
 - (B) the revised template version of the marketing materials can be viewed under the issuer's profile on www.sedar.com.
- (8) Any revised template version of the marketing materials filed under subsection (7) must comply with this section.
- (9) If marketing materials are provided under subsection (1) but the issuer did not comply with subsection (6) or paragraph (7)(a), as applicable, the marketing materials are deemed for purposes of securities legislation to

be incorporated into the applicable shelf prospectus supplement as of the date of the shelf prospectus supplement to the extent not otherwise expressly modified or superseded by a statement contained in the shelf prospectus supplement.

Road Shows after a Receipt for a Final Base Shelf Prospectus

- 9A.4 (1) An investment dealer must not conduct a road show for potential investors after a receipt for a final base shelf prospectus or any amendment is issued unless
- (a) the road show complies with subsections (2) to (4); and
 - (b) a receipt for the final base shelf prospectus has been issued in the local jurisdiction.
- (2) Subject to section 9A.5, an investment dealer must not provide marketing materials to investors attending a road show conducted under subsection (1) unless the marketing materials are provided in accordance with section 9A.3.
- (3) If any investment dealer conducts a road show, the investment dealer must establish and follow reasonable procedures to
- (a) ask any investor attending the road show in person, by telephone conference call, on the internet or by other electronic means to provide their name and contact information;
 - (b) keep a record of any information provided by the investor; and
 - (c) provide the investor with a copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed.
- (4) If an investment dealer permits an investor, other than an accredited investor, to attend a road show, the investment dealer must commence the road show with the oral reading of the following statement or a statement to the same effect:

This presentation does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Exception from Filing and Incorporation Requirements for Road Shows for Certain U.S. Cross-border Offerings

- 9A.5 (1) Subject to subsections (2) to (4), if an investment dealer provides marketing materials to a potential investor in connection with a road show for a U.S. cross-border offering, the following provisions do not apply to the template version of the marketing materials relating to the road show:
- (a) paragraph 9A.3(1)(e);
 - (b) subsections 9A.3(6) to (9).
- (2) Subsection (1) does not apply unless
- (a) the underwriters have a reasonable expectation that the securities offered under the U.S. cross-border offering will be sold primarily in the United States of America;
 - (b) the issuer and the underwriters who sign the base shelf prospectus or the applicable shelf prospectus supplement filed in the local jurisdiction provide a contractual right containing the language set out in subsection 36A.1(5) of Form 41-101F1, or words to the same effect, except that the language may specify that the contractual right does not apply to any comparables provided in accordance with subsection (3); and
 - (c) if the base shelf prospectus is filed in the local jurisdiction, the template version of the marketing materials relating to the road show is delivered to the securities regulatory authority.
- (3) If the template version of the marketing materials relating to the road show contains comparables, the template version of the marketing materials must contain the disclosure referred to in paragraph 13.7(4)(d) of NI 41-101.
- (4) For greater certainty, subsection (1) does not apply to marketing materials other than the marketing materials provided in connection with the road show.

PART 10 REPEALED

PART 11 EXEMPTIONS

11.1 Exemption

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.
- (2.1) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.
- (3) An application made to the securities regulatory authority or regulator for an exemption from this Instrument shall include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.

11.2 Evidence of Exemption

- (1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting under this Part of an exemption, other than an exemption, in whole or in part from Part 2, may be evidenced by the issuance of a receipt for a base shelf prospectus or an amendment to a base shelf prospectus.
- (2) The issuance of a receipt for a base shelf prospectus or an amendment to a base shelf prospectus is not evidence that the exemption is being granted unless
 - (a) the person or company that sought the exemption sent to the regulator
 - (i) the letter or memorandum referred to in subsection 11.1(3), on or before the date of the filing of the base shelf prospectus or an amendment to a base shelf prospectus, or
 - (ii) the letter or memorandum referred to in subsection 11.1(3) after the date of the filing of the base shelf prospectus or an amendment to a base shelf prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1), and
 - (b) the regulator has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be evidenced in the manner set out in subsection (1).

PART 12 EFFECTIVE DATE

12.1 Effective Date

This Instrument shall come into force on 16 May 2005.

NATIONAL INSTRUMENT 44-102
SHELF DISTRIBUTIONS
APPENDIX A
METHOD 1 FOR FORM OF SHELF PROSPECTUS CERTIFICATES

METHOD 1: FORWARD LOOKING FORM OF CERTIFICATES TO BE INCLUDED IN BASE SHELF PROSPECTUSES OR SUPPLEMENTS ESTABLISHING AN MTN PROGRAM OR OTHER CONTINUOUS DISTRIBUTION

PART 1 Base Shelf Prospectuses

1.1 Issuer Certificate Form – If a base shelf prospectus establishes an MTN program or other continuous distribution, or if method 2 has not been elected by an issuer, an issuer certificate form in the preliminary base shelf prospectus and the base shelf prospectus must state:

“This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified].

1.2 Underwriter Certificate Form – If the base shelf prospectus establishes an MTN program or other continuous distribution or if method 2 has not been elected by the underwriter, an underwriter certificate form in the preliminary base shelf prospectus and the base shelf prospectus must state:

“To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified].

1.3 *Repealed*

1.4 Amendments

(1) For an amendment to a base shelf prospectus in respect of a base shelf prospectus that included the issuer certificate form and underwriter certificate form in sections 1.1 and 1.2, and if the amendment does not restate the prospectus, change “this short form prospectus” to “the short form prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 1.1 and 1.2.

- (2) For an amended and restated base shelf prospectus in respect of a base shelf prospectus that included the issuer certificate form and underwriter certificate form in sections 1.1 and 1.2, change “this short form prospectus” and replace it with “this amended and restated short form prospectus” wherever it appears in the statements in sections 1.1 and 1.2.

PART 2 Shelf Prospectus Supplements establishing an MTN Program

- 2.1 Issuer Certificate Form** – If an issuer certificate form described in section 1.1 was not included in the corresponding base shelf prospectus, an issuer certificate form in a shelf prospectus supplement that establishes an MTN program or other continuous distribution must state:

“The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified].”

- 2.2 Underwriter Certificate Form** – If an underwriter’s certificate form described in section 1.2 was not included in the corresponding base shelf prospectus, an underwriter certificate form in a shelf prospectus supplement that establishes an MTN program or other continuous distribution must state:

“To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of [insert name of jurisdiction in which qualified].”

- 2.3 REPEALED**

2.4 Amendments

- (1) For an amendment to a shelf prospectus supplement in respect of a shelf prospectus supplement that included the issuer certificate form and underwriter certificate form in sections 2.1 and 2.2, and if the amendment does not restate the prospectus, add “, as it amends the shelf prospectus supplement dated [insert date]” after “the foregoing,” wherever it appears in the statements in sections 2.1 and 2.2.

- (2) For an amended and restated shelf prospectus supplement in respect of a shelf prospectus supplement that included the issuer certificate form and underwriter certificate form in sections 2.1 and 2.2, include the issuer certificate form and the underwriter certificate form in sections 2.1 and 2.2.

NATIONAL INSTRUMENT 44-102
SHELF DISTRIBUTIONS
APPENDIX B
METHOD 2 FOR FORM OF SHELF PROSPECTUS CERTIFICATES

METHOD 2: NON-FORWARD LOOKING FORM OF PROSPECTUS CERTIFICATES TO BE INCLUDED IN BOTH BASE SHELF PROSPECTUSES AND SUPPLEMENTS

PART 1 Base Shelf Prospectus

1.1 Issuer Certificate Form – If method 2 is elected by an issuer, an issuer certificate form in the preliminary base shelf prospectus and the base shelf prospectus must state:

“This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert name of each jurisdiction in which qualified].”

1.2 Underwriter Certificate Form – If method 2 is elected by an underwriter, an underwriter certificate form in the preliminary base shelf prospectus and the base shelf prospectus must state:

“To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert name of each jurisdiction in which qualified].”

1.3 REPEALED

1.4 Amendments

(1) For an amendment to a base shelf prospectus in respect of a base shelf prospectus that included the issuer certificate form and underwriter certificate form in sections 1.1 and 1.2, and if the amendment does not restate the prospectus, change “this short form prospectus” to “the short form prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 1.1 and 1.2.

(2) For an amended and restated base shelf prospectus in respect of a base shelf prospectus that included the issuer certificate form and underwriter certificate form in sections 1.1 and 1.2, change “this short form prospectus” to “this amended and restated short form prospectus” wherever it appears in the statements in sections 1.1 and 1.2.

PART 2 Shelf Prospectus Supplement

2.1 Issuer Certificate Form – If method 2 is elected by an issuer, an issuer certificate form in a shelf prospectus supplement must state:

“The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of [insert name of each jurisdiction in which qualified].”

2.2 Underwriter Certificate Form – If method 2 is elected by an underwriter, an underwriter certificate form in a shelf prospectus supplement must state:

“To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of [insert name of jurisdiction in which qualified].”

2.3 REPEALED

2.4 Amendments

- (1)** For an amendment to a shelf prospectus supplement in respect of a shelf prospectus supplement that included the issuer certificate form and underwriter certificate form in sections 2.1 and 2.2, and if the amendment does not restate the prospectus, add “, as it amends the shelf prospectus supplement dated [insert date]” after “the foregoing,” wherever it appears in the statements in sections 2.1 and 2.2.
- (2)** For an amended and restated shelf prospectus supplement in respect of a shelf prospectus supplement that included the issuer certificate form and underwriter certificate form in sections 2.1 and 2.2, include the issuer certificate form and the underwriter certificate form in sections 2.1 and 2.2.