



The Ontario Gazette

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Le samedi 3 novembre 2001

Proclamation

(Great Seal of Ontario)

HILARY M. WESTON

PROVINCE OF ONTARIO

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories, Queen, Head of the Commonwealth, Defender of the Faith.

PROCLAMATION

BALANCED BUDGETS FOR BRIGHTER FUTURES ACT, 2000

We, by and with the advice of the Executive Council of Ontario, name Thursday, November 1st, 2001 as the day on which the Schedule of the *Balanced Budgets for Brighter Futures Act, 2000* and Parts I, VI, IX, XV, XVII, XIX and XXII of the *Responsible Choices for Growth and Accountability Act (2001 Budget)*, 2001 come into force.

WITNESS:

THE HONOURABLE
HILARY M. WESTON

LIEUTENANT GOVERNOR OF OUR
PROVINCE OF ONTARIO

GIVEN at Toronto, Ontario, on October 24, 2001.

BY COMMAND

DAVID H. TSUBOUCHI
Chair of the Management Board of Cabinet

(Great Seal of Ontario)

HILARY M. WESTON

PROVINCE DE L'ONTARIO

ELIZABETH DEUX, par la grâce de Dieu, Reine du Royaume-Uni, du Canada et de ses autres royaumes et territoires, Chef du Commonwealth, Défenseur de la Foi.

PROCLAMATION

LOI DE 2000 SUR DES BUDGETS ÉQUILIBRÉS POUR UN AVENIR MEILLEUR

Sur l'avis du Conseil exécutif de l'Ontario, nous désignons le jeudi 1^{er} novembre 2001 comme le jour où entrent en vigueur l'annexe de la *Loi de 2000 sur des budgets équilibrés pour un avenir meilleur* et les parties i, vi, ix, xv, xvii, xix et xxii de la *Loi de 2001 sur des choix réfléchis favorisant la croissance et la responsabilisation (budget de 2001)*

TÉMOIN :

L'HONORABLE
HILARY M. WESTON

LIEUTENANTE-GOUVERNEURE DE NOTRE
PROVINCE DE L'ONTARIO

FAIT à Toronto (Ontario) le 24 octobre 2001.

PAR ORDRE

DAVID H. TSUBOUCHI
Président du Conseil de gestion du gouvernement

(6521) 44

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1905



Motor Vehicle Transport Act/Truck Transportation Act Loi sur les transports routiers/Loi sur le camionnage

The following are applications for operating licences under the *Truck Transportation Act*, R.S.O. 1990, Chapter T.22, and/or the *Motor Vehicle Transport Act*, 1987, Chapter 35. The applicants have met the fitness requirements pursuant to Section 6 of the *Truck Transportation Act* and/or Section 8(2) of the *Motor Vehicle Transport Act*, 1987 and the provincial transport board and/or the Registrar of Motor Vehicles proposes to issue the licences if no written objection is served on the applicant and filed with the Registrar of Motor Vehicles, within thirty days of this publication.

The following applicants have applied for Authority to offer a transportation service for the carriage of Goods:

On trouvera ci-après la liste des demandes de permis d'exploitation présentées en vertu de la *Loi sur le camionnage*, L.R.O. 1990, chapitre T.22, et/ou la *Loi de 1987 sur les transports routiers*, L.C. 1987, chapitre 35. On a jugé que les personnes ayant présenté ces demandes se conformaient aux critères d'aptitude prévus au paragraphe 8(2) de la *Loi de 1987 sur les transports routiers* et l'office des transports de l'Ontario et/ou le registrateur des véhicules automobiles dans les trente jours suivant la publication des présentes.

Les personnes suivantes ont demandé l'autorisation d'offrir des services de transport de marchandises à destination.

ARTEX INC. LANDOVER, MD	JOHNSON, DONALD, R BADJEROS, ON	VANDRIEL EXCAVATING INC. CLINTON, ON
BAHIA, SATNAM MISSISSAUGA, ON	L. FOURNIER & FILS INC. VAL D OR QUEBEC	WILKINSON, WILLIAM, L CHATSWORTH, ON
BRIDGE TERMINAL TRANSPORT CANADA INC. MISSISSAUGA, ON	MARTINEAU, VIANNEY HULL, QC	W.R. BOLIVAR TRANSPORT LTD. BRIDGEWATER, NS
BRITTEN, PETER, J BRAMPTON, ON	MORWIN ENTERPRISES LTD. MORDEN, MB	1306233 ONTARIO INC. MISSISSAUGA, ON
BULK CARRIER SERVICES INC. N LAS VEGAS, NV	NOEL TAYLOR ENTERPRISES INC. MISSISSAUGA, ON	1457643 ONTARIO INC. LONG SAULT, ON
CHEVEZ, WALTER, ANTONIO NORTH YORK, ON	PADFIELD TRANSPORT LTD. MOOSEJAW, SK	1486597 ONTARIO INC. CANFIELD, ON
CHRETIEN, ROBERT, V WILLIAMSTOWN, ON	SAT EXPRESS INC. SCARBOROUGH, ON	9105-5400 QUEBEC INC. JOLIETTE, QC
CHROMENKO, IGOR MISSISSAUGA, ON	S.C.S. DISTRIBUTION LTD. BRAMPTON, ON	9107-5499 QUEBEC INC. RIVIERE BEAUDETTE, QC
COBBY MARINE (1985) INC. KINGSVILLE, ON	SOLO TRANSPORT INC. LAREDO, TX	9032-8345 QUEBEC INC. ST-CASIMIR, QC
ELITE FLOAT SERVICE INC. TORONTO, ON	SPENCER, VENRECE, W AJAX, ON	9065-1746 QUEBEC INC. AMOUI, QC
FARMER, FRANCES DELTA, ON	SUROMA TRANSPORT SERVICE LTD. ETOBICOKE, ON	9076-7286 QUEBEC INC. RIVIERE-DU-LOUP, QC
FARRIS BROS TRANSPORTATION SERVICES LTD. TRENTON, ON	THE OIL WELL SUPPLY CO 1980 LTD. PETROLIA, ON	9080-5797 QUEBEC INC. SOREL TRACY, QC
GEI-CORP TRUCKING MARKLE, IN	TOM SCHEWE TRUCKING INC. CLINTONVILLE, WI	9094-6377 QUEBEC INC. REPENTIGNY, QC
GREGOR, KEVIN, C TORONTO, ON	TRANSPORT GILLES TURGEON INC. L ANGE-GARDIEN, QC	9099-7255 QUEBEC INC. VAL-SENNEVILLE, QC
J.H. TRANSPORT INC. BENTON HARBOR, MI	VANCAL TRANSPORT LTD. CALGARY, AB	9106-8965 QUEBEC INC. HEMMINGFORD, QC

J. Greig Beatty
Manager/
Chef de Service

Ontario Highway Transport Board

IN THE MATTER of the *Public Vehicles Act*,
AND IN THE MATTER of the *Motor Vehicle Transport Act, 1987*
AND IN THE MATTER of the *Ontario Highway Transport Board Act*
AND IN THE MATTER OF:

CBL-JLD MOTOR COACH INC., et al - File #45995-RE(1)
Suite 102 - 7 Director Court
Woodbridge, Ontario L4L 4S5

NOTICE

The Board is in receipt of an application by Trentway-Wagar Inc. ("Trentway"), Pacific Western Transportation Ltd. ("P.W.") and Tokmakjian Limited ("Can-Ar") pursuant to Sections 10 and 11 of the *Public Vehicles Act*. The applicants have satisfied the Board that there are apparent grounds to suspend, cancel or impose conditions on CBL-JLD Motor Coach Inc., et al's operating licences or issue an order described in Section 11(3) of the *Public Vehicles Act*.

All Information pertaining to this matter is on file at the Board and can be made available on request. (Telephone 416-326-6732).

TAKE NOTICE that the Board will hold a hearing on this matter to determine whether to issue an order described in Section 11(3) of the *Public Vehicles Act*.

The hearing will be held on **Monday the 3rd day of December, 2001 at 10:00 a.m. at the Board's Chambers, 151 Bloor Street West, 10th Floor, Toronto, Ontario. M5S 2T5.**

AND FURTHER TAKE NOTICE that should any party to these proceedings not attend at the time and place shown for the hearing, the Board may proceed in their absence and they will not be entitled to any further notice in this proceedings.

AND FURTHER TAKE NOTICE that any interested person (*i.e.* a person who has an economic interest in the outcome of the matter) may file a statement with the Board and serve it on CBL-JLD Motor Coach Inc., et al, at least 10 days before the hearing date and pay a fee of \$400.00 payable to the Minister of Finance.

Felix D'Mello
Board Secretary

IN THE MATTER of the *Public Vehicles Act*,
AND IN THE MATTER of the *Motor Vehicle Transport Act, 1987*
AND IN THE MATTER of the *Ontario Highway Transport Board Act*
AND IN THE MATTER OF:

Mr. Michael Rossignol - File #45906-RE(1)
o/a "M & D Casino Shuttle"
2170 Anderson Road, Apartment #1
Ottawa, Ontario K1G 7G4

NOTICE

The Board is in receipt of an application by 1029979 Ontario Inc. ("Casino Shuttle Service"), pursuant to Sections 10 and 11 of the *Public Vehicles Act*. Casino Shuttle Service have satisfied the Board that there are apparent grounds to suspend, cancel or impose conditions on CBL-JLD Motor Coach Inc., et al's operating licences or issue an order described in Section 11(3) of the *Public Vehicles Act*.

All Information pertaining to these matters are on file at the Board and can be made available on request. (Telephone 416-326-6732).

TAKE NOTICE that the Board will hold a hearing on this matter to determine whether to issue an order described in Section 11(3) of the *Public Vehicles Act*.

The hearing will be held on **Wednesday the 5th day of December, 2001 at 9:30 a.m. at the offices of the Canadian Human Rights**

Tribunal, 473 Albert Street, 9th Floor, Conference Room, Ottawa, Ontario. K1J 1J4.

AND FURTHER TAKE NOTICE that should any party to these proceedings not attend at the time and place shown for the hearing, the Board may proceed in their absence and they will not be entitled to any further notice in this proceedings.

AND FURTHER TAKE NOTICE that any interested person (*i.e.* a person who has an economic interest in the outcome of the matter) may file a statement with the Board and serve it on Mr. Michael Rossignol, at least 10 days before the hearing date and pay a fee of \$400.00 payable to the Minister of Finance.

Felix D'Mello
Board Secretary

NOTICE

Periodically, temporary applications are filed with the Board. Details of these applications can be made available at anytime to any interested parties by calling (416) 326-6732.

The following are applications for extra-provincial and public vehicle operating licenses filed under the *Motor Vehicle Transport Act, 1987*, and the *Public Vehicles Act*. All information pertaining to the applicant *i.e.* business plan, supporting evidence, etc. is on file at the Board and is available upon request.

Any interested person who has an economic interest in the outcome of these applications may serve and file an objection within 29 days of this publication. The objector shall:

1. complete a Notice of Objection Form,
2. serve the applicant with the objection,
3. file a copy of the objection and provide proof of service of the objection on the applicant with the Board,
4. pay the appropriate fee.

Serving and filing an objection may be effected by hand delivery, mail, courier or facsimile. Serving means the date received by a party and filing means the date received by the Board.

LES LIBELLÉS DES DEMANDES PUBLIÉES CI-DESSOUS SONT AUSSI DISPONIBLES EN FRANÇAIS SUR DEMANDE.

McQuarrie Chevrolet Oldsmobile Pontiac Buick Inc. 46014
23 Meredith St., Box 330, Gore Bay, ON P0P 1H0

Applies for a public vehicle (school bus) operating licence as follows:

For the transportation of students for and on behalf of the Rainbow District School Board between points in the District of Manitoulin and schools under the jurisdiction on the Rainbow District School Board.

PROVIDED that chartered trips be restricted to school purposes and only for schools under the jurisdiction of the Rainbow District School Board.

Willard Bus Lines Inc. 44585-G
R. R. # 1, Thornloe, ON P0J 1S0

Applies for the approval of transfer of public vehicle (school bus) operating licence PVS-8060 now in the name of J. Roy Vickery, R. R. # 1, Englehart, ON P0J 1H0.

Felix D'Mello
Board Secretary/
Secrétaire de la Commission

Government Notices Respecting Corporations

Avis du gouvernement relatifs aux compagnies

Certificates of Dissolution

Certificats de dissolution

NOTICE IS HEREBY GIVEN that a certificate of dissolution under the *Business Corporations Act*, has been endorsed. The effective date of dissolution precedes the corporation listings.

AVIS EST DONNÉ PAR LA PRÉSENTE que, conformément à la *Loi sur les compagnies*, un certificat de dissolution a été inscrit pour les compagnies suivantes : la date d'entrée en vigueur précède la liste des compagnies visées.

Name of Corporation: Dénomination sociale de la compagnie :	Ontario Corporation Number Numéro de la compagnie en Ontario
2001-10-02	
LYNVALLEY ELECTRIC LTD.	962392
2001-10-03	
G. M. HILL MOTORS LIMITED	83882
MISSISSIPPI LAKELANDS LIMITED	114607
O.A.R. LOGISTICS INC.	1257376
2001-10-04	
KUDROCH FARMS LTD.	829846
THE GROSS REALTY GROUP INC.	546567
2001-10-05	
CHARLES A. NEWMAN DRUGS LIMITED	486884
CREDIFINANCE REALTY CORP.	1105548
EASTWIND INVESTMENTS LTD.	276103
1001904 ONTARIO LIMITED	1001904
814569 ONTARIO INC.	814569
2001-10-09	
753343 ONTARIO INC.	753343
2001-10-11	
ALWORTH CONSTRUCTION LIMITED	554999
ARDON FARMS LIMITED	269799
FORMULA TRUCKING LTD.	867435
FREDERICK FRANK CONSTRUCTION (1986) LIMITED	653091
PRIENE PROPERTIES LTD.	1010332
PROTECH BURLINGTON LTD.	839939
2001-10-12	
CENTRAL DENTAL LABORATORIES (KINGSTON) LIMITED	1182696
R. F. MEILLEUR HOLDINGS LTD.	72478
SOAN-ARCON LTD.	1231494
2001-10-15	
BALDBORE ENTERPRISES LTD.	1345551
BALL HOLDINGS CANADA CORPORATION	931354
CELTIQUE INCORPORATED	272936
COLUMBUS PAVING & INTERLOCK INC.	947651
EDDVINCE INVESTMENTS INC.	712803
PACIRIM TRADING INC.	1204032
SANGSTER BUSINESS SOLUTIONS INC.	1442029
SYNERGISM CONSULTANTS INC.	1325037
WOODEN TOYS 'N THINGS INC.	2004606
1351227 ONTARIO INC.	1351227
1370485 ONTARIO LIMITED	1370485
1424354 ONTARIO INC.	1424354
766842 ONTARIO INC.	766842
2001-10-16	
BAGSHAW LUMBER LIMITED	66589
BITTERS & GRAPES (BROCKVILLE) LTD.	1278855
CUSTOM SIGNAL INC.	1076816
EL-AD HOTELS CANADA HOLDINGS LTD.	1241706
GRANITE RIVER HOLDINGS LIMITED	414812
ORCHARD PARK LEASEHOLDS INC.	1054772
1258717 ONTARIO INC.	1258717
356792 ONTARIO LIMITED	356792
2001-10-17	
CRAIG NUTTALL INVESTMENTS LTD.	459618

Name of Corporation: Dénomination sociale de la compagnie :	Ontario Corporation Number Numéro de la compagnie en Ontario
DANIEL HARRISON ASSOCIATES INC.	1024355
FOCAL-LINK (INT'L) CONSULTANTS LTD.	1093024
PRECISION PROFESSIONAL DRIVER TRAINING INC.	1342089
WILCOX DIVERSIFIED INC.	475585
1230597 ONTARIO INC.	1230597
2001-10-18	
BAR-LY CONCEPTS LTD.	695425
DELMORO MANAGEMENT INC.	961105
EXCEL INTERNATIONAL TRADING CO. LTD.	1173150
HARROWSTON MARLOW INVESTMENTS INC.	1440091
PENFERN INVESTMENTS INC.	917180
SKYLINE ESTATES LIMITED	1393858
SMOKERS' HAVEN INC.	1475175
1096952 ONTARIO LIMITED	1096952
1184337 ONTARIO LIMITED	1184337
1226354 ONTARIO LIMITED	1226354
1285782 ONTARIO INC.	1285782
744568 ONTARIO INC.	744568
899567 ONTARIO INC.	899567
900031 ONTARIO INC.	900031

44/01

B. G. HAWTON,
Director (A), Companies Branch
Directrice intérimaire, Direction
des compagnies

Cancellations for Cause

(Business Corporations Act)

Annulations à juste titre

(Loi sur les sociétés par actions)

NOTICE IS HEREBY GIVEN that by orders under section 240 of the *Business Corporations Act*, the certificates set out hereunder have been cancelled for cause and in the case of certificates of incorporation the corporations have been dissolved. The effective date of cancellation precedes the corporation listing.

AVIS EST DONNÉ PAR LA PRÉSENTE que, par des ordres donnés en vertu de l'article 240 de la *Loi sur les sociétés par actions*, les certificats indiqués ci-dessous ont été annulés à juste titre et, dans le cas des certificats de constitution, les sociétés ont été dissoutes. La dénomination sociale des compagnies concernées est précédée de la date de prise d'effet de l'annulation.

Name of Corporation: Dénomination sociale de la compagnie :	Ontario Corporation Number Numéro de la compagnie en Ontario
2001-10-18	
DISPLAY AD INTERNATIONAL INC.	1027117
EDGE WHOLESALE LTD.	1159989
999804 ONTARIO LIMITED	999804
2001-10-19	
JOURNEYS NORTH OUTFITTERS, INC.	1188672

44/01

B. G. HAWTON,
Director (A), Companies Branch
Directrice intérimaire, Direction
des compagnies

**Cancellation for Filing Default
(Corporations Act)
Annulation pour omission de se
conformer à une obligation de dépôt
(Loi sur les personnes morales)**

NOTICE IS HEREBY GIVEN that orders under Section 317 (9) of the *Corporations Act* have been made cancelling the Letters Patent of the following corporations and declaring them to be dissolved. The date of the order of dissolution precedes the name of the corporation.

AVIS EST DONNÉ PAR LA PRÉSENTE que, les décrets émis en vertu de l'article 317 (9) de la *Loi sur les personnes morales* ont été émis pour annuler les lettres patentes des personnes morales suivantes et les déclarer dissoutes. La date du décret de la dissolution précède le nom de la personne morale.

Name of Corporation:	Ontario Corporation Number
Dénomination sociale	Numéro de la compagnie
de la compagnie :	en Ontario

2001-10-18

HALQA-E-ARBAB-E-ZOUQ-URDU CIRCLE OF CANADA	525922
THE OLD GIRLS ASSOCIATION OF HOLY FAMILY CONVENT JAFFNA IN TORONTO	897026

B. G. HAWTON,
Director (A), Companies Branch
Directrice intérimaire, Direction
des compagnies

44/01

**Erratum
Avis d'Erreur**

Vide Ontario Gazette, **Vol. 134-41** dated **October 13, 2001**.

NOTICE IS HEREBY GIVEN that the notice issued under section 241 (4) of the *Business Corporations Act* set out in the issue of the Ontario Gazette of with respect to the cancellation of the Certificate of Incorporation of 1381411 ONTARIO LIMITED was issued in error and is null and void.

Cf. Gazette de l'Ontario, **Vol. 134-41** datée du **Octobre 13, 2001**.

PAR LA PRÉSENTE, nous vous informons que l'avis émis en vertu de l'article 241 (4) de la *Loi sur les compagnies* et énoncé dans la Gazette de l'Ontario du relativement à l'annulation du certificat de constitution en personne morale de 1381411 ONTARIO LIMITED a été délivré par erreur et qu'il est nul et sans effet.

B. G. HAWTON,
Director (A), Companies Branch
Directrice, intérimaire, Direction
des compagnies

44/01

**Cancellation of Certificates of
Incorporation
(Corporations Tax Act Defaulters)
Annulation de certificats de constitution
en personne morale
(Non-respect de la Loi sur l'imposition
des personnes morales)**

NOTICE IS HEREBY GIVEN that, under subsection 241 (4) of the *Business Corporations Act*, the Certificates of Incorporation of the corporations named hereunder have been cancelled by an Order dated 8 October, 2001 for default in complying with the provisions of the *Corporations Tax Act*, and the said corporations have been dissolved on that date.

AVIS EST DONNÉ PAR LA PRÉSENTE que, conformément au paragraphe 241 (4) de la *Loi sur les compagnies*, les certificats de constitution en personne morale des compagnies dont les noms apparaissent ci-dessous ont été annulés par décision datée du 8 octobre 2001 pour non-respect des dispositions de la *Loi sur l'imposition des personnes morales* et que la dissolution des compagnies concernées prend effet à la date susmentionnée.

Name of Corporation:	Ontario Corporation Number
Dénomination sociale	Numéro de la
de la compagnie :	compagnie en Ontario

PREMIUM SPRINGS CORPORATION	1115249
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B. G. HAWTON,
Director (A), Companies Branch
Directrice intérimaire, Direction
des compagnies

44/01

**Cancellation of Certificates of
Incorporation
(Business Corporations Act)
Annulation de certificat de constitution
en personne morale
(Loi sur les sociétés par actions)**

NOTICE IS HEREBY GIVEN that by orders under subsection 241 (4) of the *Business Corporations Act*, the certificates of incorporation set out hereunder have been cancelled and corporation(s) have been dissolved. The effective date of cancellation precedes the corporation listing.

AVIS EST DONNÉ PAR LA PRÉSENTE que, conformément au paragraphe 241 (4) de la *Loi sur les sociétés par actions*, les certificats présentés ci-dessous ont été annulés et les compagnies ont été dissoutes. La dénomination sociale des compagnies concernées est précédée de la date de prise d'effet de l'annulation.

Name of Corporation:	Ontario Corporation Number
Dénomination sociale	Numéro de la
de la compagnie :	compagnie en Ontario

2001-10-19

ARTISTRY CUSTOM UPHOLSTERY INC.	1423382
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B. G. HAWTON,
Director (A), Companies Branch
Directrice intérimaire, Direction
des compagnies

44/01

The Insurance Act/Loi sur les assurances

CLHIA GUIDELINES ON INDIVIDUAL VARIABLE INSURANCE CONTRACTS RELATING TO SEGREGATED FUNDS

APPROVED BY
THE CANADIAN COUNCIL OF
INSURANCE REGULATORS AND
CLHIA'S BOARD OF DIRECTORS

MARCH 4, 1997

(as amended on March 7, 2001)

EFFECTIVE DATE
January 1, 2002

CLHIA GUIDELINES ON INDIVIDUAL VARIABLE INSURANCE CONTRACTS RELATING TO SEGREGATED FUNDS

Foreword

The disclosure guidelines for Individual Variable Insurance Contracts ("IVICs") established by the Canadian Council of Insurance Regulators ("CCIR") and the Canadian Life and Health Insurance Association Inc. ("CLHIA"), set out in CLHIA Guidelines Nos. 23, 24, 86, 87, 88 and The Canadian Code of Advertising Standards (the "Former Guidelines"), have been revised and consolidated, with the applicable legislation, to produce these CLHIA Guidelines on Individual Variable Insurance Contracts relating to Segregated Funds.

With the exception of Part XIII, Audit and Accounting Requirements and the requirement for financial statements on an audited basis under Part E, Financial Disclosure, of Form 1, these Guidelines shall apply as of July 1, 1997, to all IVICs issued on or before that date. These Guidelines come into full force and effect on January 1, 1998. However, CLHIA urges all insurers to note that Part XI, Partitioning of Assets Held in Segregated Funds, and Part XII, Merger of Segregated Funds, have yet to receive the benefit of the proposed amendments to the Income Tax Act that would prevent unwanted dispositions occurring in the hands of contractholders.

Revisions

The Guidelines were amended in the following areas: index fund/concentration limit (ss. 2.1(aa), 2.1(bb), 2.1(nn), 10.1(1)(d), 10.1(2)(b), fundamental changes (ss. 2.1(u), 12.3, Form 1, Item 1 (g)), financial information (ss. 2.1(q), 5.2(b), 5.2(h), 5.4, 5.5, 9.4, Form 1, Item 11, Form 1, Item 21), performance data (ss. 8.13, 8.14, 8.17), manager proficiency (Form 2), fund-of-fund arrangements (ss. 8.11, 8.12, 10.3(2), Form 2 - footnote) and summary fact statement (ss. 2.1(vv)) (the "Guideline Amendments").

These Guideline Amendments come into full force and effect:

- (a) on December 31, 2001 for individual variable insurance contracts issued pursuant to new and amended Information Folders filed after that date;
- (b) on the first renewal date after December 31, 2001 for contracts issued pursuant to Information Folders re-filed in accordance with Section 4.2 (b); and
- (c) on December 31, 2002 for contracts that are in force but no longer offered by the insurer.

Where the segregated fund is an index fund s. 10.1(2)(b) (i) shall be effective April 30, 2001. Section 10.1(1)(d), s. 10.1(2)(b) (ii) and (iii)

shall be effective for any new filings after April 30, 2001, or for any re-filings on the normal re-filing date beginning January 1, 2002.

The Guideline Amendments were approved by the CLHIA Board of Directors on March 7, 2001.

Non-Application

These Guidelines do not apply to group VICs relating to segregated funds.

Matters respecting the training, competence and skill of life insurance agents are not within the scope of these Guidelines.

PART I – APPLICATION:

1.1 General:

These Guidelines apply to individual variable insurance contracts that meet the definition provided in Section 2.1 of these Guidelines and, with the exception of Part XIII, Audit and Accounting Requirements and Part E, Financial Statements, of Form 1, are effective July 1, 1997. From July 1, 1997, until the date the first audited financial statements are due, the financial statements required under Part E, of Form 1, need not be provided on an audited basis. These Guidelines are in full force and effect on January 1, 1998. The first audited financial statements required under Part E, of Form 1, are due four months after the insurer's fiscal year ending in 1998.

1.2 Non-Application of Guidelines:

Group variable insurance contracts relating to segregated funds are not subject to the compulsory application of these Guidelines.

In addition, these Guidelines do not apply in respect of individual variable insurance contracts that meet the definition provided in Section 2.1 of these Guidelines, but which are no longer offered for sale to the public on, and after, July 1, 1997, provided that the insurer has ceased all sales of individual variable insurance contracts. In such an instance, the insurer shall, at a minimum, meet the requirements of the former CCIR and CLHIA Variable Insurance Contract Guidelines, set out in CLHIA Guidelines Nos. 23 and 24, in respect of all existing contracts. Where the insurer continues to sell individual variable insurance contracts generally, but has simply ceased to sell any particular type of its individual variable insurance contracts, the insurer must comply with these new Guidelines for all of its individual variable insurance contracts.

PART II – DEFINITIONS:

2.1 In these Guidelines,

- (a) **“advertisement”** includes all printed and electronic:
 - (i) descriptive literature produced by, or on behalf of, an insurer in newspapers or magazines, signage, and all radio, television, or electronic messages;
 - (ii) illustrations, circulars, memoranda, booklets and form letters of all kinds including forwarding and return envelopes or forwarding and return cards mailed by an insurer as a mass advertisement to the public without solicitation; and
 - (iii) brochures, information folders, summary fact statements or other advertising documents produced for distribution to the public;

used in the solicitation for the sale of an individual variable insurance contract relating to a segregated fund;
- (b) **“advisor”** means a person(s) or company engaging in or holding himself, herself, themselves or itself out as engaging in advising others as to the investing in or the buying or selling of securities;
- (c) **“arm's length transaction”** means a transaction with a non-related party;

- (d) **“audit”** means the examination of the financial statements of the segregated fund by an independent auditor;
- (e) **“auditor”** means an accountant who is a member in good standing of an institute or association of accountants incorporated by, or under, an Act of the legislature of a province;
- (f) **“Canadian securities”** means securities that are not foreign securities;
- (g) **“cap”** means an agreement obligating the seller to make payments to the buyer, each payment based on the amount by which a reference price or level or the performance or value of one or more underlying interests exceeds a predetermined number, sometimes called the strike rate or price;
- (h) **“cash”** means:
 - (i) cash on deposit at the segregated fund's custodian, or
 - (ii) treasury bills or other evidences of indebtedness issued, or fully guaranteed as to principal and interest, by:
 - (A) any of the Federal, Provincial or Territorial Governments of Canada: or
 - (B) the Government of the United States or any political subdivision thereof, the Government of any sovereign state or any supranational agency, provided that such treasury bills or other evidences of indebtedness have an approved credit rating;

all maturing in less than one year; or
 - (iii) an evidence of deposit, maturing in less than one year, issued, or fully guaranteed as to principal and interest, by:
 - (A) a bank to which the Bank Act (Canada) applies;
 - (B) a loan corporation or trust company registered under applicable federal or provincial legislation; or
 - (C) a foreign financial institution;

provided that the short term debt instruments of such institution have an approved credit rating;
- (i) **“CLHIA reviewer”** means the person designated by the Canadian Life and Health Insurance Association to review an insurer's draft individual variable insurance contract documents in accordance with these Guidelines;
- (j) **“counterparties”** means the party(ies) other than the insurer, on behalf of a segregated fund, to a contract respecting derivatives;
- (k) **“counterparty exposure amount”** means the net amount of credit risk attributable to a derivative instrument entered into with a business entity other than through a qualified exchange, or cleared through a qualified clearing house (“over-the-counter derivative instrument”). The amount of credit risk equals the following: the potential exposure of the derivative instrument plus:
 - (i) the market value of the over-the-counter derivative instrument if the liquidation of the derivative instrument would result in a final cash payment to the insurer; or
 - (ii) zero if the liquidation of the derivative instrument would not result in a final cash payment to the insurer;
- (l) **“covered”** means that the insurer owns the underlying interest in order to fulfil or secure its obligations under a call option it has written in an income generation transaction;
- (m) **“current yield”** means current yield of a money market fund expressed as a percentage and determined by applying the following formula:

current yield = [seven day return $\times$ 365/7] $\times$ 100;

- (n) **“derivative”** means an agreement, financial option, instrument or any series or combination thereof:
- (i) to make or take delivery of, or assume or relinquish, a specified amount of one or more underlying interests, or to make a cash settlement in lieu thereof; or
 - (ii) which has a price, performance value or cash flow based primarily upon the actual or expected price, level, performance, value or cash flow of one or more underlying interests.
- Derivatives include financial options, warrants, caps, floors, collars, swaps, forwards, futures, and any other agreements, options or instruments substantially similar thereto, or any series or combination thereof;
- (o) **“fee option”** means any option available to a contractholder under an individual variable insurance contract which results in there being more than one set of fees and charges applicable in respect of a particular segregated fund;
- (p) **“fees and charges”** means any sales charges, distribution fees, management fees, administrative fees, account set-up or closing charges, surrender charges, transfer fees or any other fees, charges or expenses whether or not contingent or deferred which are or may be payable in connection with the purchase, holding, transferring or redemption of units of a segregated fund;
- (q) **“financial highlights”** means the following information as of the financial year-end of the fund: fund allocations or distributions, net assets of the fund, net asset value per unit, number of units outstanding, management expense ratio and portfolio turnover rate, all as more particularly described in Item 21, Form 1;
- (r) **“financial option”** means an agreement giving the buyer the right to buy or receive, sell or deliver, enter into, extend or terminate, or effect a cash settlement based on the actual or expected price, level, performance or value of one or more underlying interests;
- (s) **“foreign securities”** means securities issued by an issuer that is constituted under the laws of a jurisdiction other than Canada or a Province or Territory of Canada and carries on a substantial portion of its activities outside of Canada;
- (t) **“forward”** means an agreement other than a future to make or take delivery of, or effect a cash settlement based on the actual or expected price, level, performance or value of one or more underlying interests;
- (u) **“fundamental investment objectives”** means the investment objectives of a segregated fund that define both the fundamental nature of the segregated fund and the fundamental investment features of the segregated fund that distinguish it from other segregated funds;
- (v) **“future”** means an agreement traded on a qualified exchange, to make or take delivery of or effect a cash settlement based on the actual or expected price, level, performance or value of one or more underlying interests;
- (w) **“government securities”** means bonds, debentures or other evidences of indebtedness (other than debt-like securities), having a term of one year or more, issued or fully guaranteed as to principal and interest by any of the Federal, Provincial or Territorial Governments of Canada, or the Government of the United States of America, or the bonds, debentures or other evidences of indebtedness (other than debt-like securities) having an approved credit rating and a term of one year or more, issued or guaranteed by the government of any sovereign state or any supranational agency;
- (x) **“hedging”** means to enter into a transaction, or a series of transactions, the intended effect of which, is the offset or reduction of

the risk associated with all or a portion of an existing investment or group of investments. For the transaction to offset or reduce the risk associated with an investment, or group of investments, there must be a high degree of correlation between changes in the market value of the investment, or group of investments, being hedged and the instrument or instruments with which the position is hedged. The term “hedging” shall also include the hedging of all or a portion of the currency exposure of an existing investment or group of investments either directly or by currency cross hedging;

- (y) **“illiquid investments”** means investments, other than units or shares of a mutual fund or of a segregated fund, which may not be readily disposed of in a marketplace where such investments are normally purchased and sold and public quotations in common use in respect thereof are available;
- (z) **“independent qualified appraiser”** means a qualified appraiser who:
- (i) has no direct or indirect interest, financial or otherwise, in the real property subject to appraisal or with the party to the real estate-related transaction with whom the insurer is dealing; and
 - (ii) is not in the full-time employment of the insurer whose segregated fund is being valued, or any associated or affiliated companies of the insurer;
- (aa) **“index fund”** means a segregated fund that has adopted fundamental investment objectives that require the segregated fund to:
- (i) hold the securities that are included in a permitted index or permitted indices of the segregated fund in substantially the same proportion as those securities are reflected in that permitted index or those permitted indices, or
 - (ii) invest in a manner that causes the segregated fund to substantially replicate the performance of that permitted index or those permitted indices;
- (bb) **“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:
- (i) hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index, or
 - (ii) invest in a manner that causes the issuer to replicate the performance of that index;
- (cc) **“individual variable insurance contract”** means an individual contract of life insurance, including an annuity, or an undertaking to provide an annuity, as defined by provincial and territorial insurance statutes and by the Civil Code of Quebec, under which the liabilities vary in amount depending upon the market value of a specified group of assets in a segregated fund, and includes a provision in an individual contract of life insurance under which policy dividends are deposited in a segregated fund;
- (dd) **“information folder”** means a disclosure document in respect of an individual variable insurance contract, the particulars of which are described in Section 5.2 of these Guidelines. No information folder may be forwarded to the applicable insurance regulators unless it has received written pre-clearance from the CLHIA, and is in compliance with the provisions of these Guidelines;
- (ee) **“insurer”** means a life insurance company authorized to transact the business of life insurance under the laws of the province or territory in respect of which these Guidelines apply;
- (ff) **“investment policy”** means a written policy of the insurer applying to segregated fund that is the subject of an individual variable insurance contract offered for sale in Canada;

- (gg) **“listed”** means publicly-traded securities listed on a recognized securities exchange;
- (hh) **“long position”**, with respect to:
- (i) clearing corporation financial options, over-the-counter financial options and listed warrants, refers to a segregated fund holding a position which entitles the segregated fund to elect to purchase, sell, receive or deliver the underlying interest (or pay or receive cash in lieu thereof);
 - (ii) futures and forward contracts, refers to a segregated fund holding a position which obliges the segregated fund to accept delivery of the underlying interest (or pay or receive cash in lieu thereof);
 - (iii) call financial options on futures, refers to a segregated fund holding a position which entitles the segregated fund to elect to assume a long position in futures; and
 - (iv) put financial options on futures, refers to a segregated fund holding a position which entitles the segregated fund to elect to assume a short position in futures;
- (ii) **“manager”** means a person(s) or company who has the power or responsibility to direct the affairs of the segregated fund and whose duties include the management of the investment portfolio of the segregated fund(s) and the provision of investment advice in connection therewith;
- (jj) **“market value”**, in Part X on Investments, means:
- (i) as to cash, the amount; and
 - (ii) as to a security held by a segregated fund, the current price obtained from a generally recognized source, the most recent bid quotation from a generally recognized source, or if no generally recognized source exists, the price for the security as determined by data and assumptions documented by the parties to a transaction, and accrued but unpaid income on the security;
- (kk) **“material change”** means a change in a fact required to be disclosed in the information folder, other than a change in the investments of the segregated fund, that would reasonably be expected to influence or change a decision by a prospective contractholder;
- (ll) **“maximum credit exposure”** means current exposure (mark-to-market) if positive;
- (mm) **“money market fund”** means a segregated fund offered under an investment option under an individual variable insurance contract, and which has and intends to continue to have:
- (i) all of its assets invested in cash or debt obligations maturing in 13 months (25 months for government securities) or less or in floating rate debt obligations where the principal amount of such obligations had a market value of approximately par at the time of each change in the rate to be paid to the holders of such obligations;
 - (ii) a portfolio with a dollar-weighted average term to maturity not exceeding 180 days;
 - (iii) not less than 95 percent of its assets invested in cash or securities, which assets are denominated in the same currency as the units of the segregated fund; and
 - (iv) not less than 95 percent of its assets invested in cash or debt obligations of issuers having an approved credit rating for commercial paper as set out in Schedule 1 attached to these Guidelines.
- For purposes of calculating the dollar-weighted average term to maturity of the money market fund's portfolio, the term of a floating rate obligation shall be the period remaining to the date of the next rate setting;
- (nn) **“permitted index”** means, in relation to a segregated fund, a widely quoted market index that is
- (i) administered by an organization that is not affiliated with the insurer or the manager or advisor of the segregated fund, or
 - (ii) widely recognized and used;
- (oo) **“potential exposure”** means:
- (i) as to futures positions, or any other such instruments that are traded on recognized exchanges, the amount of initial margin held for such positions;
 - (ii) as to swaps, collars and forwards, the notional amount times the square root of the remaining years to maturity (residual maturity) times a spread factor of 0.5% for interest rate contracts and 3% for cross currency and equity contracts; or
 - (iii) for swaps, collars and forward contracts that are structured to settle outstanding exposure following specified payment dates and where the terms are reset so that the market value of the contract is zero on these specified dates, the residual maturity is considered to be the time until the next reset date;
- (pp) **“qualified appraiser”** means an appraiser who has the knowledge, ability, experience and integrity required to complete the assignment competently. Although not requiring the selection of an appraiser with a designated professional qualification, insurers must use appraisers that have the necessary attributes set out below.
- An insurer's appraiser selection criteria should ensure that appraisers used to perform an appraisal for the segregated fund are, at a minimum:
- (i) experienced, competent and knowledgeable regarding the real estate market within the area to which the appraisal relates and the type of real estate being appraised; and
 - (ii) independent of the real estate being appraised and of the person whom the insurer is dealing with in respect to the real estate-related transaction;
- (qq) **“rating”** or **“ranking”** means the performance rating or ranking of a segregated fund, referred to in a sales communication, as prepared by an independent organization and standard performance data that must be provided for any segregated fund whose rating or ranking is quoted;
- (rr) **“sales communication”** means:
- (i) an advertisement;
 - (ii) any oral or written communication used by a life insurance agent or insurer to induce the purchase of an individual variable insurance contract; or
 - (iii) a report to contractholders;
- but does not include:
- (iv) an internal communication between a life insurance agent, portfolio advisor, manager or the insurer which is not designed to be passed onto any contractholder or prospective contractholder; or
 - (v) an information folder.

No sales communication may refer to a segregated fund as a money fund, cash fund or money market fund or imply that a segregated fund is a money market fund unless, at the time the sales communication is used and for each period for which money market fund standard performance data is provided, the segre-

gated fund satisfies the definition of money market fund and it intends to continue to satisfy such a definition;

- (ss) **“secondary fund”** means a segregated fund, a mutual fund or other investment fund, including an index participation unit, in which a segregated fund may invest, pursuant to Section 10.3 of these Guidelines;
- (tt) **“segregated fund”** means a separate and distinct segregated fund maintained by an insurer in respect of which the non-guaranteed benefits of an individual variable insurance contract are provided;
- (uu) **“short position”**, with respect to:
 - (i) clearing corporation financial options, over-the-counter financial options and listed warrants, refers to a segregated fund having a position which, at the election of another, obliges the segregated fund to purchase, sell, receive or deliver the underlying interest (or pay or receive cash in lieu thereof);
 - (ii) futures and forward contracts, refers to a segregated fund holding a position which obliges the segregated fund to deliver the underlying interest (or pay or receive cash in lieu thereof);
 - (iii) call financial options on futures, refers to a segregated fund holding a position which, at the election of another, obliges the segregated fund to assume a short position in futures; and
 - (iv) put financial options on futures, refers to a segregated fund holding a position which, at the election of another, obliges the segregated fund to assume a long position in futures;
- (vv) **“summary fact statement”** means a brief, narrative summary of a segregated fund’s historical performance, investment policies and the ten largest single holdings;
- (ww) **“swaps”** means a series of forward contracts which obligate two parties to swap or exchange a series of cash flows on specified payment dates. The cash flows are either fixed or calculated by specified reference rates or prices. Interim payments are netted, with the difference being paid by one party to the other;
- (xx) **“TIPS”** means the Toronto 35 Index Participations, which are units of a trust created by the Toronto Stock Exchange;
- (yy) **“unit”** means a unit of a segregated fund, attributed to an individual variable insurance contract to measure the participation and corresponding benefits under the contract; and
- (zz) **“warrant”** means financial option to purchase the underlying financial instruments at a given price and time or at a series of prices and times outlined in the warrant agreement. A warrant is issued alone or in connection with the sale of other securities, as part of a merger or recapitalization agreement, and, occasionally, to facilitate divestiture of the securities of another corporation.

PART III – DOCUMENTS TO BE FILED WITH THE CLHIA

3.1 Preliminary Filing with CLHIA:

An insurer that proposes to offer to the public an individual variable insurance contract in any Canadian jurisdiction shall file, in draft form, with the CLHIA reviewer,

- (a) the documents evidencing the individual variable insurance contract;
- (b) the summary fact statement for each segregated fund described in the information folder, and other relevant documents, such as any endorsements for registered, individual variable insurance contracts; and
- (c) the information folder, as described in Section 5.2, to be

used by the insurer in connection with the sale of that type of individual variable insurance contract including the form of certificate to be signed by any two of the Chief Executive Officer, Chief Investment Officer, Chief Financial Officer or Secretary of the insurer or a director or officer appointed for the purpose.

3.2 Review for Compliance with Guidelines:

The CLHIA reviewer shall examine the original documents or any material change to an information folder previously filed with an Insurance Regulator for compliance with these Guidelines within 30 days from the date of their receipt from the insurer. Any previously-filed information folder and any other previously-filed revised document submitted to the CLHIA reviewer must be in draft form and include both a clean copy, and a blackline version setting out the changes.

3.3 Examination Letter to Insurer:

Where the draft documents do not meet the requirements set out in these Guidelines, or require further changes, the CLHIA reviewer shall forward an examination letter to the insurer indicating the nature of the non-compliance.

3.4 Amendments and Re-Submission:

Upon receiving the letter referred to in Section 3.3, the insurer shall make any necessary changes to the draft documents and re-submit them to the CLHIA reviewer for further examination and possible comment.

3.5 Copies for Submission to Insurance Regulators:

Once the CLHIA reviewer is satisfied that the insurer’s draft documents are in compliance with these Guidelines and suitable for filing with the applicable Insurance Regulators, the insurer shall forward to the CLHIA reviewer sufficient copies thereof for submission to the applicable Insurance Regulators, in compliance with Part IV of these Guidelines, accompanied by the insurer’s submission letters addressed to each Insurance Regulator. Blackline and clean copy versions should be included in respect of any previously-filed document with material changes. Note that French language versions of the draft documents are required for submission to Quebec and New Brunswick.

3.6 Filing of Draft Documents with CLHIA Comfort Letter:

The CLHIA reviewer shall forthwith submit the insurer’s draft documents, along with the CLHIA comfort letter, to each applicable Insurance Regulator in compliance with Part IV of these Guidelines, as requested by the insurer.

3.7 Response by Insurance Regulator:

Any correspondence from an Insurance Regulator regarding the draft documents will be sent directly to the submitting insurer with a copy forwarded by the insurer to the CLHIA reviewer. The insurer shall respond directly to any comments received from an Insurance Regulator and forward a copy of the correspondence to the CLHIA reviewer.

3.8 Filing of Final Documents with CLHIA Transmittal Letter:

The CLHIA reviewer shall forthwith file the final printed versions of the insurer’s documents, together with the CLHIA transmittal letter, with the applicable Insurance Regulators upon receipt from the insurer of:

- (a) the final printed versions of the documents with the information folder duly certified by the insurer;
- (b) a copy of the Insurance Regulator’s certificate where such certificate is required to be issued to the insurer under the applicable legislation of a particular jurisdiction; and

- (c) in respect of any jurisdiction where an Insurance Regulator's certificate is not required to be issued, written confirmation that at least 30 days have elapsed since the date the draft documents were submitted to the Insurance Regulator of a particular jurisdiction in accordance with Section 3.6 and that the insurer has not, in the meantime, received written notice from the Insurance Regulator that the documents are not acceptable for filing.

Once filed, the insurer may offer the individual variable insurance contract for sale in the particular jurisdiction.

PART IV – DOCUMENTS TO BE FILED WITH THE INSURANCE REGULATOR

4.1 Filing of Draft Documents with Insurance Regulator:

Subject to compliance with the requirements of Part III of these Guidelines, an insurer that proposes to enter into an individual variable insurance contract in a particular jurisdiction shall, at least 30 days before offering to enter into such a contract, file, in draft form, with the Insurance Regulator of the jurisdiction,

- (a) the documents evidencing the individual variable insurance contract; and
- (b) the information folder, as described in Section 5.2, to be used by the insurer in connection with the sale of that type of individual variable insurance contract certified by any two of the Chief Executive Officer, Chief Investment Officer, Chief Financial Officer or Secretary of the insurer or a director or officer appointed for the purpose, and the summary fact statement for each segregated fund described in the information folder.

4.2 Re-Filing of Information Folder:

Subject to compliance with the requirements of Part III of these Guidelines with respect to a material change, an insurer that has filed an information folder in respect of an individual variable insurance contract shall, as long as it continues to offer to enter into that type of individual variable insurance contract, file with the applicable Insurance Regulator a blackline copy and a clean copy of a new information folder in respect of that type of individual variable insurance contract certified as provided in Section 4.1 and the executed Compliance Report in accordance with Form 2;

- (a) forthwith upon any material change in the latest information folder filed in respect of that type of individual variable insurance contract; and
- (b) within
 - (i) one year and one month after the date of filing of the latest information folder, or
 - (ii) sixteen months of the date of the audited financial statements contained in the latest information folder, whichever is the earlier.

PART V – GENERAL DISCLOSURE REQUIREMENTS:

5.1 Contract Disclosure:

The documents evidencing an individual variable insurance contract shall:

- (a) on the cover or face page of the contract, include the following warning statement in bold, capitalized print:

“SUBJECT TO ANY APPLICABLE DEATH AND MATURITY GUARANTEE, ANY PART OF THE PREMIUM OR OTHER AMOUNT THAT IS ALLOCATED TO A SEGREGATED FUND IS INVESTED AT THE RISK OF THE CON-

TRACTHOLDER AND MAY INCREASE OR DECREASE IN VALUE ACCORDING TO FLUCTUATIONS IN THE MARKET VALUE OF THE ASSETS OF THE SEGREGATED FUND.”

- (b) describe the benefits under the individual variable insurance contract and indicate which benefits are guaranteed and which benefits are not guaranteed but fluctuate with the market value of the assets of the segregated fund supporting them;
- (c) state,
 - (i) the method of determining the benefits related to the market value of the segregated fund and the amount of the surrender value of these benefits, and
 - (ii) where provision is made for part of the premium to be allocated to provide the benefits related to the market value of the segregated fund, the percentage of the premium so allocated;
- (d) state the times, which shall not be less than once monthly, at which the segregated fund shall be valued and at which the value of the benefits related to the market value of the segregated fund may be determined; and
- (e) describe the fees and charges, or methods of determining the fees and charges, against the segregated fund for taxes, management, or other expenses.

5.2 Information Folder Disclosure:

The information folder relating to an individual variable insurance contract shall,

- (a) present in clear and plain language, without reference to technical terms where possible or to inapplicable items, the information required by Form 1 in an order appropriate to best describe the contract itself and not necessarily in the order provided in Form 1, except with respect to Item 1;
- (b) contain or be accompanied by the Financial Highlights required by Item 21 of Form 1, with a statement that the audited financial statements and notes to the audited financial statements required by Items 16, 17, 18, 19 and 20 of Form 1 are available upon request, both as of a date not earlier than the fiscal year of the fund just ended; if the audited financial statements are available electronically, the contractholder can choose to receive such statements in hard copy format or by electronic transmission;
- (c) contain the title “Information Folder” on the cover or face page with a separate statement that the information folder is not an insurance contract;
- (d) contain, on the first page immediately following the cover or face page, a one-page executive summary of the folder's highlights in bullet form. This executive summary is not permitted to be a separate document. This executive summary must advise the reader to review the audited financial statements for the segregated fund and include the following statement informing contractholders of their basic rights:

“A description of the key features of the individual variable insurance contract is contained in this information folder. Subject to any applicable death and maturity guarantee, any part of the premium or other amount that is allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value according to the fluctuations in the market value of the assets of the segregated fund.”;

- (e) contain a brief summary of each segregated fund's investment policy, as described in Section 10.1 (1) including a statement advising the prospective contractholder that a

detailed description of each segregated fund's investment policy is available upon request from the insurer with specific information as to how it can be accessed or obtained;

- (f) comply with the requirements of Part VIII, Advertising;
- (g) contain or be accompanied by a summary fact statement for each segregated fund; and
- (h) indicate that the semi-annual unaudited financial statements are available upon request, and if available electronically, the contractholder can choose to receive such statements in hard copy format or by electronic transmission.

5.3 Real Estate Segregated Fund Disclosure:

The information folder offering individual variable insurance contracts relating to a real estate segregated fund shall:

- (a) emphasize the long-term nature of an investment in a real estate segregated fund;
- (b) state that such individual variable insurance contracts can be redeemed only on specified dates and only on a specified number of days prior notice as provided in the contracts and accordingly are not a suitable investment for contractholders who require ready convertibility of their funds into cash;
- (c) state that redemption of individual variable insurance contracts may be suspended during any period that the segregated fund does not have sufficient cash or readily marketable securities to meet requests for redemptions;
- (d) state that the net asset value at which individual variable insurance contracts are issued and redeemed is based upon appraisals of the real property; that for any given real property there is a range of market values; that an appraisal is an opinion only and that there can be no assurance that the appraised value will be equal to the price for which the property is ultimately sold; and
- (e) state that the net asset value per individual variable insurance contract for the purchase or redemption of individual variable insurance contracts may differ from the amounts that would be paid to contractholders on dissolution of the fund.

5.4 Annual Statement to Contractholder:

The insurer shall furnish to the contractholder, within four months of each successive fiscal year end of the fund insurer, a statement showing the following:

- (a) the information required by Form 1, Item 11;
- (b) the management expense ratio with a brief explanation thereof;
- (c) the value of the benefits under the contractholder's individual variable insurance contract related to the market value of the segregated fund at the end of the period covered by the statement;
- (d) the amount, if any, allocated under the contractholder's individual variable insurance contract to a segregated fund during the period covered by the statement;
- (e) the overall rate of return, calculated on a net basis, for the segregated fund for the last 1, 3, 5 and 10 year periods, if applicable;
- (f) the most recent audited financial statements of the fund;
- (g) a statement that semi-annual unaudited financial statements are available upon request; and

- (h) if the insurer specifies an insurance fee limit pursuant to Section 12.3(4)(b), the changes to the insurance fee in accordance with Section 12.3(4)(c).

5.5 Semi-Annual Financial Statements:

The insurer shall, upon request, make available to each applicable Insurance Regulator copies of the semi-annual unaudited and audited financial statements.

PART VI – DELIVERY OF DOCUMENTS TO PROSPECTIVE CONTRACTHOLDER:

6.1 Delivery of Information Folder:

Before an application for an individual variable insurance contract is signed by a prospective contractholder, a true copy of the corresponding information folder then on file with the Insurance Regulator of the particular jurisdiction, pursuant to Part IV of these Guidelines, shall be delivered to the prospective contractholder.

Where a contract is not an individual variable insurance contract at issue but is subsequently amended to become an individual variable insurance contract upon application by the contractholder for such amendment, a true copy of the corresponding information folder then on file, pursuant to Part IV of these Guidelines, shall be delivered to the contractholder prior to the effective date of such amendment, if not previously delivered.

6.2 Acknowledgement of Receipt of Information Folder:

The insurer shall, at the time of delivery, obtain from any person to whom an information folder is delivered in compliance with Section 6.1 of these Guidelines a signed statement in writing acknowledging that he or she has received a copy of such information folder.

6.3 Provision of Summary Fact Statement:

A summary fact statement in respect of each segregated fund must be given to the prospective contractholder at the time of delivery of the information folder. The summary fact statement may either be a separate document or appear as part of the information folder.

6.4 Requirements for Other Written Documents:

Where a prospective contractholder is furnished with any other type of written document that is a direct inducement to purchase a particular individual variable insurance contract such document shall:

- (a) be consistent with the relevant provisions of that particular contract and Part VIII, Advertising, of these Guidelines; and
- (b) contain the following warning set out in bold, capitalized print:

‘SUBJECT TO ANY APPLICABLE DEATH AND MATURITY GUARANTEE, ANY PART OF THE PREMIUM OR OTHER AMOUNT THAT IS ALLOCATED TO A SEGREGATED FUND IS INVESTED AT THE RISK OF THE CONTRACTHOLDER AND MAY INCREASE OR DECREASE IN VALUE ACCORDING TO FLUCTUATIONS IN THE MARKET VALUE OF THE ASSETS IN THE SEGREGATED FUND’.

PART VII – CORPORATE GOVERNANCE OF SEGREGATED FUNDS:

- 7.1 An insurer that establishes and maintains a segregated fund as a fund for investment under individual variable insurance contracts shall:

- (a) prepare the segregated fund's financial statements, described in Part XIII of these Guidelines, annually;
- (b) appoint an auditor to make such examination as the auditor considers necessary to enable the auditor to report on the segregated fund's financial statements;
- (c) monitor the quality of internal controls in place for the segregated fund;
- (d) ensure that the segregated fund has an investment policy in accordance with Part X of these Guidelines, and monitor the segregated fund for compliance with that policy;
- (e) review any partitions or mergers of segregated funds as described in Part XI or Part XII of these Guidelines; and
- (f) make available explanatory materials to life agents.

PART VIII – ADVERTISING:

8.1 Advertising:

No insurer or agent shall give any undertaking or make any promises as to the future value of a segregated fund, of any interest in a segregated fund, or of any benefit supported by a segregated fund except with respect to a guarantee for the return of all or portion of the premiums on death or at maturity as provided for under the individual variable insurance contract.

8.2 Unfair and Deceptive Acts and Practices:

No insurer may engage in any unfair or deceptive acts or practices including:

- (a) the issuance of any illustration, circular, memorandum or statement that misrepresents, or omits material information and thus misrepresents, terms, benefits or advantages of any individual variable insurance contract issued or to be issued;
- (b) the giving of any false or misleading statement as to the terms, benefits or advantages of any individual variable insurance contract issued or to be issued;
- (c) the making of any incomplete comparison of an individual variable insurance contract with that of any other insurer for the purpose of inducing, or intending to induce, a contractholder to forfeit or surrender his or her contract;
- (d) the making of any incomplete comparison of an individual variable insurance contract with other investment vehicles, that is so incomplete that it misrepresents the individual variable insurance contract's terms, benefits or advantages;
- (e) the making of any advertisement which, directly or indirectly, unfairly criticizes the contracts, services or methods of its competitors; or
- (f) the doing of any other activity or the failure to do an act that may be deemed to be an unfair or deceptive act or practice by any applicable legislation of a particular jurisdiction.

8.3 Words or Sentences Used in Advertisements:

The words or sentences regarding life insurance coverage under an individual variable insurance contract must be explained in the advertisement. Expressions commonly used in individual variable insurance contracts must also be used in advertisements respecting such contracts.

8.4 Clarity of Written Advertisements:

All information in written advertisements must be clearly presented and correspond with the statements relating thereto or be grouped under appropriate headings so that the advertisement is

factual and the text of the advertisement is comprehensible and coherent.

8.5 If Advertisement Lists Advantages, Must Also List Limitations:

When an advertisement mentions any advantage, such as the nature of the coverage, the benefits payable or any other advantage attached to the individual variable insurance contract or to one of its provisions, it must also fairly disclose, in close proximity, and in the same manner, any limitations, exceptions or reductions which affect the nature of the coverage.

8.6 Advertisements that State Term or Age as a Condition:

An advertisement respecting an individual variable insurance contract, whether purchased as a registered or non-registered policy, shall provide the prospective contractholder with adequate information respecting the issue date of the contract, particularly as it relates to the prospective contractholder's age.

An advertisement for a Registered Retirement Savings Plan ("RRSP") which states a term or age as a condition of the validity of the contract shall indicate that it must convert to an annuity or a Registered Retirement Income Fund ("RRIF") before the end of the year in which the insured attains the age limit specified in the applicable income tax legislation.

8.7 Advertisement Referring to Renewal, Cancellation or Termination:

An advertisement which refers to renewal, cancellation or termination of an individual variable insurance contract shall describe the provisions of the contract which are related thereto.

8.8 Advertisement Not to be Misleading:

No advertisement shall:

- (a) contain false, misleading, unwarranted or exaggerated statements, either directly or by implication;
- (b) make misleading or inaccurate presentations;
- (c) conflict with any information contained in an information folder or in a sales communication;
- (d) contain false or misleading testimonials;
- (e) disparage another company's product;
- (f) deliberately imitate the text, slogans or illustrations of other advertisers in order to mislead the consumer;
- (g) change or distort the true meaning of statements by actuarial, technical, medical or professional authorities;
- (h) use technical or industry terminology without consideration of the level of comprehension of the public;
- (i) contain statements that appear to have an actuarial or technical basis when, in fact they do not;
- (j) offer guarantees of any kind unless the conditions and limits are fully explained;
- (k) include statements likely to mislead the public to believe that the benefits may be greater than those provided for in the contract;
- (l) include statements likely to mislead as to the amounts of benefits paid, the number of persons insured or other statistical information respecting an insurer or an insurance contract; or
- (m) use statistics without clearly identifying their source.

8.9 Testimonials:

Testimonials used in an advertisement must be of a general nature, be authentic and express the current opinion of the author of the testimony at that time. Where a testimonial or a recommendation is paid for directly or indirectly by the insurer, or someone on its behalf, the advertisement shall so state. When using a testimonial, the insurer shall be deemed to assume as its own all of the statements contained therein.

8.10 Advertisement to Establish Real Identity:

An advertisement shall establish the real identity of the insurer and must not mention any device which is misleading in relation to a trade name, service mark, slogan or symbol. It shall also contain the date of its first publication.

8.11 Advertisement of Fund-of-Fund Arrangements:

All advertisements with respect to fund-of-fund arrangements, as described in Section 10.3, shall prominently state the name of the insurance company that issued the contract.

8.12 Insurer's Corporate Name:

The insurer's corporate name shall be displayed more prominently than any other entity and printed in full in an advertisement and must be prominently shown on any accompanying application for an individual variable insurance contract.

8.13 Text Requirements and Warnings:

Disclaimers or asterisked information in a written advertisement should be so located and large enough to be clearly visible. All warnings and disclaimers shall be at least 10-point type if contained in a written sales communication, or clearly displayed and audible or visible for a reasonable period of time if broadcast or delivered by way of an electronic medium.

All other text in a written sales communication shall be at least 10-point type.

All sales communications, whether written, or delivered by way of electronic media, shall include the prescribed warning (with appropriate modifications by an insurer selling a life insurance contract or an immediate annuity contract that provides for investment in a segregated fund), as set out Section 5.2(d) except in circumstances where the sales communication does not contain any performance data and the warning would constitute more than 50% of the sales communication.

8.14 Provisions for Registered and Non-Registered Individual Variable Insurance Contracts:

An insurer shall:

- (a) indicate in the information folder in respect of registered, individual variable insurance contracts that such contracts are one of a number of different vehicles for the accumulation of retirement income;
- (b) whenever tax saving, as opposed to tax sheltering or deferral, is described as an advantage of a registered, individual variable insurance contract, indicate that ultimately all benefits received shall be added to income for tax purposes;

"Performance data" means any rating, ranking, quotation, discussion or analysis regarding rate of return, yield, volatility or other measurement or description of the investment performance of a segregated fund.

No advertisement may contain performance data unless it complies with the following guidelines:

- (c)
 - (i) the segregated fund has been available for investment for at least 12 months; or

- (ii) if the segregated fund invests in secondary funds, at least 80% of the number of secondary funds in which it invests have been available for investment for at least 12 months, provided that where all of the underlying funds have not been so available the advertisement clearly states that the indicated performance does not represent all of the underlying funds for the period and indicates which funds are not included; or

- (iii) if either (i) or (ii) cannot be complied with, the advertisement may only be sent to contractholders of such segregated fund or contractholders of other segregated funds under common management with the segregated fund;

- (iv) no advertisement pertaining to a segregated fund for which there are different classes or series of units available pursuant to an Information Folder shall contain performance data unless:

A. the advertisement clearly specifies the class or series of units to which any performance data contained in the advertisement relates; and

B. if the advertisement relates to more than one class or series of units and provides performance data, then the advertisement provides performance data for each class or series of units and clearly explains the reasons for different performance data among the classes or series; and

- (v) an advertisement for a new class or series of units of a segregated fund that pertains to the same investment portfolio as an existing class or series of units shall not contain performance data relating to the existing class or series unless the advertisement clearly explains any differences between the new class or series and the existing class or series that could affect performance;

- (d) if there have been any changes during the performance measurement period in the segregated fund's management, fundamental investment objectives, characterization as a money market fund, or in any portfolio advisor or in the ownership of the insurer or in fees or charges, including the waiving or absorbing of fees or charges, that would or could reasonably be expected to have materially affected the segregated fund's performance, the advertisement shall contain:

- (i) summary disclosure of the change or a statement to the effect that the segregated fund has undergone changes during the performance measurement period which would or could have [insert as appropriate: affected/increased/decreased] the segregated fund's performance had those changes been in effect throughout the period; and

- (ii) for a money market fund which during the performance measurement period did not pay or accrue the full amount of fees and charges payable by the segregated fund, or any recurring fees and charges that are payable by all contractholders, disclosure of the difference between such full amounts and the amounts actually charged, expressed as an annualized percentage on a basis comparable to current yield; or

- (iii) for other than a money market fund, a description of the method used in calculating the performance data during the performance measurement period and a statement that the calculation has been performed on a net basis and indicating any fees and charges that have been deducted in performing the calculation;

- (e) where the advertisement is not a report to contractholders and relates to a money market fund, the standard perform-

ance data which is given shall be calculated for the most recent 7 day period for which it is practicable to calculate the standard performance data taking into account publication deadlines, provided that this 7 day period is not more than 3 months prior to the date of the appearance or use of the advertisement in which it is included and not more than 3 months prior to the date of first publication of any other advertisement in which it is used;

- (f) for other than a money market fund, the indicated rate of return shall be the historical annual compound total return including changes in unit value and reinvestment of all dividends or distributions but not taking into account sales, redemption, distribution or optional charges payable by any contractholder which would have reduced returns;
- (g) where performance data is advertised, comply with Section 8.1 and include the prescribed warning set out in Section 5.2(d), and indicate:
 - (i) where an illustration of growth rates of a segregated fund is based upon the past performance of a segregated fund itself or of similar funds or of one or more indices, it shall also be made clear that such past results should not be construed as being indicative of the future performance of the segregated fund;
 - (ii) performance data must be reported, at a minimum, on a 1, 3, 5 and 10 year basis. Where a segregated fund has not been in existence for 10 years, then its performance data should be reported, at minimum, on a 1, 3 and 5 year basis, and since inception, or as is applicable; and
 - (iii) performance data which is provided must, at a minimum, be for the 1, 3, 5, and 10 year periods, or as is applicable, ending on a calendar month not more than 3 months prior to the date of first publication;
- (h) where performance data is advertised with respect to investments over a stipulated period of time, indicate also any qualification which would prevent redemptions prior to expiry of such period;
- (i) where withdrawal privileges for investments in a segregated fund are advertised, indicate any qualification preventing withdrawal of the redemption request;
- (j) where fees or charges are referred to, include a statement listing all fees and charges which are applicable;
- (k) where costs or commissions on sales of individual variable insurance contracts are referred to as applying or not applying, include a statement listing all fees and charges applicable to those sales. Where a withdrawal charge is applicable, include a statement listing the charge;
- (l) where describing an individual variable insurance contract as suitable for registration (e.g. as an RRSP), include the following statements:
 - (i) if applicable, that certain of its regular contractual benefits may be required to be modified under the terms of an endorsement upon registration;
 - (ii) that registered life insurance contracts may be more suitable as a means of long duration investment rather than short duration;
 - (iii) that the prospective contractholder discuss fully all aspects of registration with the insurer or agent before the purchase of any registered, individual variable insurance contract; and

the insurer shall not refer to immediate tax saving as the primary reason for purchasing registered, individual vari-

able insurance contracts, such as RRSPs, nor shall the insurer emphasize deregistration soon after the contract is issued.

8.15 Performance Comparisons for Segregated Funds:

A sales communication or advertisement that compares the performance of one or more segregated funds to a consumer price index, any stock, bond or other index, average, or any guaranteed investment certificate or other certificate or deposit, real estate or any other investment of any kind or nature, including another segregated fund, shall:

- (a) include all facts that, if disclosed, would likely materially alter conclusions reasonably drawn or implied by the comparison;
- (b) present data for each subject of comparison for the same period(s); and
- (c) where the performance of an index or average is compared, if appropriate in view of the nature of the comparison, describe the index or average, point out if there are material differences between the composition of or calculation of the performance of the index or average and the investment portfolio of the segregated fund and state any other factors to make the comparison fair and not misleading.

8.16 Illustrations:

An illustration presenting any prospective accumulation of the value of contributions to an individual variable insurance contract shall include a statement that the accumulation may be used at maturity to provide an annuity, or if it is a life insurance product, shall include a statement that the accumulation may provide a death benefit, and, in either case, shall also state the rate of growth assumed in calculating the illustration and shall also state whether or not any guarantee applies in whole or in part, and the nature of such guarantee.

The contents of an illustration must meet the minimum requirements set forth in the CLHIA's Guideline for Life Insurance Illustrations, as may be amended from time to time.

8.17 Standard Performance Measurement Presentation:

The standard performance data of a segregated fund shall be calculated and disclosed in accordance with the Best Practices Guidelines – Performance Data, such guidelines to be jointly approved by the CCIR and the CLHIA.

PART IX – RETAIL REMUNERATION:

9.1 Insurer Shall Obtain Written Agreement from Agent:

An insurer offering individual variable insurance contracts for sale through agents or brokers shall have a written agreement (the "agent's agreement") with each agent or corporate agency authorized to sell individual variable insurance contracts.

9.2 No Unauthorized Advertisements:

No advertisement shall be published and no pamphlet or booklet concerning or referring to an insurer's individual variable insurance contracts shall be issued, displayed or circulated by the agent unless prior authorization is obtained in writing from the insurer. The insurer remains bound by the rules pertaining to Advertising as set out in Part VIII of these Guidelines.

9.3 "Trailer" or Service Fees:

Where an agent is entitled to receive "trailer" or service fees from the insurer or the manager of the segregated fund, and these fees are charged to the assets of the segregated fund, this fact shall be disclosed to prospective contractholders in the information folder, along with an explanation of the services that they can expect to receive as a result.

The insurer shall provide the particulars of such fees in the information folder, in accordance with Form 1, Item 12, if the fees are charged to the assets of the segregated fund.

9.4 Management Expense Ratio:

- (1) The audited financial statements for a segregated fund shall set out in tabular form the management expense ratio for each fee option under an individual variable insurance contract for each of the last five completed financial years of the segregated fund, together with a brief description of the method of calculating the management expense ratio.
- (2) Where the basis of the calculation of fees and charges and other expenses that are charged to a segregated fund are changed or proposed to be changed and where such change would have a material effect on the management expense ratio for the last completed financial year of the segregated fund if such change had been in effect for such year, the information folder shall disclose the effect of such change.
- (3) Where any financial period referred to in Section 9.4(1) is less than 12 months, the management expense ratio shall be shown on an annualized basis with reference to the period covered and to the fact that the management expense ratio for the period has been annualized.
- (4) The management expense ratio of a segregated fund applicable to a particular fee option under an individual variable insurance contract for any financial year shall be obtained by dividing (i) the aggregate of all fees and charges and other expenses paid or payable by the segregated fund during or in respect of the financial year in question which relate to that particular fee option, by (ii) the amount of the average net asset value of the segregated fund attributable to the particular fee option for the financial year in question and multiplying the quotient by 100. For the purpose of making this calculation:
 - (a) the expression "the average net asset value of the segregated fund attributable to the particular fee option for a financial year" means the result obtained by:
 - (i) adding together the amounts determined to be the net asset value of the segregated fund attributable to the particular fee option as at the close of business of the segregated fund on each day during the financial year in question on which the net asset value of the segregated fund has been determined in the manner from time to time as described in Item 2 of Form 1;
 - (ii) dividing the amount resulting from the addition provided for in clause (i) by the number of days during the financial year in question on which the net asset value has been determined;
 - (b) for the purposes of Section 9.4, the expression "all fees and charges and other expenses" means all fees and charges paid or payable by the segregated fund and all expenses incurred in the ordinary course of business relating to the organization, management and operation of the segregated fund including interest charges (if any) and all taxes other than income taxes, but excluding commissions and brokerage fees on the purchase and sale of portfolio securities;
 - (c) If any fees and expenses otherwise payable by a segregated fund in a financial year were waived or otherwise absorbed by the insurer, the fund shall disclose in a note to the disclosure of its management expense ratio, details of:
 - (i) what the management expense ratio would have been without any waivers or absorptions;

- (ii) the length of time that the waiver or absorption is expected to continue;
- (iii) whether the waiver or absorption can be terminated at any time by the insurer; and
- (iv) any other arrangements concerning the waiver or absorption;
- (d) A segregated fund that has separate classes or series of units shall calculate a management expense ratio for each class or series, in the manner required by this section, modified as appropriate; and
- (e) The management expense ratio of a segregated fund for a financial year of less than 12 months shall be annualized.
- (5) The audited financial statements of the segregated fund shall set out in appropriate detail the amounts of all fees and charges and other expenses, if any, which have been charged to the segregated fund during the period covered by the financial statements.

PART X – INVESTMENTS:

10.1 Investment Policy of the Segregated Fund:

- (1) The insurer shall include a brief statement in the information folder of the investment policy of the segregated fund addressing each of the following matters:
 - (a) the objectives of the segregated fund including the investment style or parameters of the investment portfolio;
 - (b) use of the segregated fund's earnings;
 - (c) disclosure, at a minimum, of the following principal risks, if applicable to the segregated fund: interest rate risk; foreign currency risk; credit risk; sovereign risk; market risk; special equities risk; real estate risk; and derivative risk. State whether or not the segregated fund uses leverage, and if so, the manner by which it controls the risk related to this leverage (e.g., use of secondary funds, diversification, etc.); and
 - (d) where the segregated fund is an index fund, disclosure that as a result of investment decisions for the segregated fund being based on one or more permitted indices, the segregated fund may have more of the net assets of the segregated fund invested in one or more issuers than is usually permitted for segregated funds, and disclosure of the risks associated with that fact, including the possible effect of that fact on the liquidity and diversification of the segregated fund, the ability to satisfy redemption requests and on the volatility of the segregated fund.
- (2) The insurer shall abide by all of the following limits:
 - (a) the sum of the segregated fund's exposures to any one corporate entity may not exceed 10% of the value of the fund. Exposure may take the form of securities issued by the entity, loans to the entity recorded on the face of the financial statements or credit exposure (expressed as "credit equivalent amount") to the entity;
 - (b) Section 10.1(2)(a) above shall not apply to a segregated fund that:
 - (i) is an index fund;
 - (ii) includes the word 'index' in the name of the fund; and

- (iii) discloses the derivative investment strategy, if the fund employs a derivative investment strategy to match the index;
- (c) as a matter of investment policy, at the time of making an investment, an insurer shall not seek to invest in the securities of a company in order to exercise control or management of it. However, should an insurer ultimately gain control or management of a company due to market forces, such as through realization procedures, such a circumstance is not prohibited;
- (d) where more than 10% of the market value of the segregated fund is or will be invested in mortgages, state the method used to determine the market value of the mortgages. This method must provide for the categorization of mortgages based on risk, and within each category, mortgages are to be valued at a principal amount based on the following: the prevailing rate of return; the duration; the relationship between the current interest rates and the interest rate of the mortgage for that category; and, the statutory requirements relating to wrap-around mortgages, where applicable; and
- (e) where more than 10% of the market value of the fund is or will be invested in real estate for the production of income, state the method used to determine the market value of the real estate. This method must include the following: the initial market value shall be equal to the cost of acquiring the real estate including professional fees and other costs; each parcel of real estate must be appraised by an independent qualified appraiser at least once every 3 years; each parcel of real estate must be appraised at least once a year by a qualified appraiser and may include an updating of previous appraisals; for dates where no appraisal is available, the insurer must provide a monthly market value; all appraisals in any one year must be scheduled at regular intervals over the year; where a material change in the condition of any real estate held in the segregated fund occurs that could materially affect the fund's market value, the insurer must immediately arrange for an appraisal by an independent qualified appraiser of such real estate and adjust the valuation of it at the next monthly valuation date after the appraisal is made.

10.2 Derivatives:

(1) Use of Derivatives Instruments in an Unlevered Portfolio:

Where the investment policy of a segregated fund states that leverage will not be used, the notional amount of derivatives used by the segregated fund shall not exceed 100% of the value of the net assets of the segregated fund, subject to a short-term 2% variation depending on movements in the foreign exchange value of the currency in which the units of the fund are offered. In those instances, where derivatives add to the market exposure of the segregated fund (e.g., through a long position in a futures contract, swaps, call financial options, or a short position in a put financial option), the segregated fund will hold cash which together with any margin on account are equal to the notional value of any derivative instrument held. Where the derivatives provide negative market exposures to the segregated fund (e.g., a short position in a futures contract, swap, call financial option or a long position in a put financial option), the segregated fund must hold a position in the underlying instrument in the portfolio or an equivalent long position equal to the notional value of the derivatives instrument held.

Derivatives may be used in hedging positions recorded on the face of the financial statements and positions disclosed in the notes to the financial statements, to generate income (by sale of covered calls) or for replication of an index.

For segregated funds using derivatives to change the asset

exposure and currency exposure, the notional value of the derivatives relating to assets shall be measured independently of those relating to currency so that the currency positions do not independently exceed the net assets of the segregated fund.

(2) Use of Derivatives Instruments in a Levered Portfolio:

Where the investment policy of a segregated fund specifically states that leverage will be or may be used, derivatives may be used to create this leverage if all of the following conditions are met:

- (a) no more than 20% of the net assets of the segregated funds will be invested in any particular trading strategy or approach using leverage;
- (b) the segregated fund will isolate each levered trading strategy or approach in limited liability secondary funds in order to protect the segregated fund from losing more than 20% of the net assets of the segregated fund on that strategy;
- (c) on a quarterly basis, the management of the segregated fund will make such risk management studies as it deems prudent to ensure that each of the levered strategies anticipated for a segregated fund is relatively independent of other such strategies (e.g., low correlation, etc.); and
- (d) where leverage is being used, the contractholder shall be informed in the information folder of the historical and anticipated risk level of the segregated fund with such measures as standard deviation.

(3) Over-the-Counter Derivatives Instruments:

Where over-the-counter derivatives instruments are used, the following conditions must be met:

- (a) a calculation of the counterparty exposure amount must be made at least monthly for each counterparty and such exposure to any counterparty taken together with any exposures recorded on the face of the financial statements must not exceed 10% of the net assets of the segregated fund for any individual counterparty; and
- (b) fund managers are prohibited from making derivative contracts on behalf of the segregated fund with the sponsoring insurer or any entity controlled by, or in control of, the sponsoring insurer, or in the control of an entity in control of the sponsoring insurer.

(4) Valuation of Derivatives:

Positions in derivative instruments shall be valued at the current market value thereof.

Where a covered clearing corporation financial option, financial option on futures or over-the-counter financial option is written, the premium received by the segregated fund shall be reflected as a deferred credit that shall be valued at an amount equal to the current market value of the clearing corporation financial option, financial option on futures or over-the-counter financial option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred debit or credit shall be included in determining the net asset value of the segregated fund. The securities, if any, which are the subject of a written clearing corporation financial option or over-the-counter financial option shall be valued at their current market value.

The value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be real-

ized if, on the valuation date, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless "daily limits" are in effect, in which case fair value shall be based on the current market value of the underlying asset.

Margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin.

In accordance with Section 13.2(4)(e), the value of written clearing corporation financial options, positions in future contracts and positions in forward contracts determined in accordance with this paragraph shall be disclosed in the statement of investment portfolio of the segregated fund.

10.3 Investments in Another Fund:

- (1) Notwithstanding Section 10.1(2), an investment in a secondary fund is permitted by a segregated fund (the "principal fund"), provided that the following conditions are met:
 - (a) adequate disclosure of this practice is made in the information folder;
 - (b) the principal fund establishes a unit value;
 - (c) there is disclosure in the information folder of any management fees or sales charges by the principal and the secondary fund. These fees or charges are to be included in the calculation of the management expense ratio of the principal fund. Where a principal fund invests in a secondary fund of the same insurer or of an entity controlled by, or in control of, the insurer or in the control of an entity in control of the insurer, there shall be no duplication of management fees or sales charges;
 - (d) where an investment in a secondary fund is greater than 20% of the assets of the principal fund, there is disclosure in the information folder of those assets held in the secondary fund if not otherwise disclosed in the audited financial statements of the principal fund; and
 - (e) the investment policy of the principal fund continues to be followed.
- (2) In addition, an investment in a secondary fund is permitted by a segregated fund (the "principal fund"), provided that the following conditions are met:
 - (a) as required by Section 8.11, the insurer's corporate name shall be printed in full on the front cover of the information folder and should identify the insurance company name and logo more prominently than the name or logo of the secondary fund or any other entity associated with the secondary fund;
 - (b) in the event that the name of the segregated fund includes the name of the entity associated with the secondary fund, additional disclosure should be provided to clearly indicate that the individual variable insurance contract is issued by the insurance company, and that the insurance company is providing all guaranteed benefits under the contract;
 - (c) the Executive Summary must state that the contractholder is purchasing an insurance contract and is not a unitholder of the underlying mutual fund;
 - (d) comprehensive disclosure of the fundamental investment objectives and policies of the secondary fund shall be included in the information folder;
 - (e) disclosure shall be made that the fundamental investment objectives of the secondary fund cannot be

changed unless approved by the unitholders of the secondary fund, and that upon such approval, segregated fund contractholders will be given notice of such change;

- (f) contractholders must be advised, in the Information Folder and in the Annual Statement to the Contractholder, that copies of the simplified prospectus, annual information form, financial highlights and audited financial statements, or the disclosure documents required for the secondary fund, are available upon request;
- (g) all contract charges should be described and distinguished from fund charges under one common heading in the information folder, and the individual elements of the management expense ratio ("MER") of the principal fund shall be disclosed as either: (i) the MER and management fee of the principal fund (each including the corresponding MER and management fee of the secondary fund) or (ii) the MER of the secondary fund, plus the management fee and administrative expenses of the principal fund;
- (h) Section 13.2(4) shall be complied with by disclosing the top 25 holdings of the secondary fund or, if there is more than one secondary fund, by disclosing the top 5 holdings of each of the secondary funds.

10.4 Illiquid Investments:

Where in the case of any investment there is no marketplace where such investment may normally be purchased and sold and public quotations in common use in respect thereof are not available, such investment will be considered to be an illiquid investment notwithstanding the fact that any party has agreed to purchase the investment. Examples of illiquid investment include, but are not limited to: limited partnership interests that are not listed; non-publicly traded securities; and, over-the-counter financial options entered into for non-hedging purposes. However, over-the-counter financial options entered into for hedging purposes in accordance with Section 10.2(2) of these Guidelines are not deemed to be illiquid investments. In addition, limited liability vehicles or secondary funds used to protect against excessive loss where leverage is being used are not deemed to be illiquid investments, provided that the underlying securities are themselves not illiquid investments.

Subject to the specific provisions set out below respecting certain types of segregated funds, in general, a segregated fund shall not, without prior written notice to the applicable Insurance Regulators, invest more than 10% of its net assets (taken at market value at the time of the investment) in illiquid investments.

10.5 Real Estate:

- (1) Where a segregated fund invests in real estate, the investment policy of the segregated fund must outline the insurer's purchase and sale of real estate in respect of the fund over the last five years. In addition, the investment policy must state the following:
 - (a) that no investment can be made in real estate except for the production of income;
 - (b) that the segregated fund is not permitted to invest in raw or undeveloped land;
 - (c) an insurer shall not sell or transfer real estate investments from or to a segregated fund of the insurer, to or from another fund of the insurer at other than its fair value as determined by an independent qualified appraiser;
 - (d) that the segregated fund is not permitted to invest more than 10% of its assets in real estate, unless the segregated fund is a real estate fund;

- (e) that the segregated fund is not permitted to invest in real estate until its net assets are equal to or greater than \$10,000,000;
- (f) where more than 10% of the segregated fund's market value is invested or will be invested in real estate for the production of income, state the methods used to determine the market value of the real estate, consistent with the following:
 - (i) the initial market value is the cost of acquiring the real estate including professional fees and other acquisition costs;
 - (ii) an independent qualified appraiser must appraise each parcel of real estate at least once every three years;
 - (iii) a qualified appraiser must appraise each parcel of real estate at least once a year and may include an updating of previous appraisals;
 - (iv) the insurer must determine a monthly market value at dates for which an appraisal is not available based on the price the real estate would bring if sold on the open market after a reasonable time to a knowledgeable purchaser;
 - (v) all appraisals in any year must be arranged so that the valuations of the market value of individual parcels of real estate are made at regular intervals over the year;
 - (vi) the insurer shall ensure that the contents of appraisal reports and the valuation methodologies used in appraisal reports meet the minimum standards of the Appraisal Institute of Canada, which are contained in the Uniform Standards of Professional Appraisal Practice with the Canadian Supplement, and the Handbook for Appraisal Guidelines, as amended from time to time;
 - (vii) in the event of a material change in the condition of any real estate held in the fund that may affect the market value of the segregated fund, the insurer must immediately arrange for the appraisal of it by an independent qualified appraiser, and adjust the valuation of the real estate at the next monthly valuation after the appraisal is made; and
- (g) where a segregated fund is invested in real estate over 30% of the net asset value of the fund, that there are minimum levels that must be met as a percentage or amount of the total net asset value of the segregated fund held in liquid assets, as follows:

<u>Net asset Value of the Fund</u>	<u>Minimum amount to be Maintained in Liquid Assets</u>
\$10,000,000 to \$20,000,000	10% of net asset value of the fund
\$20,000,000 to \$30,000,000	\$2,000,000 plus 9% of net asset value of the fund over \$20,000,000
\$30,000,000 to \$40,000,000	\$2,900,000 plus 8% of net asset value of the fund over \$30,000,000
\$40,000,000 to \$50,000,000	\$3,700,000 plus 7% of net asset value of the fund over \$40,000,000
\$50,000,000 or more	\$4,400,000 plus 6% of net asset value of the fund over \$50,000,000.

- (2) A segregated fund may invest in a joint venture arrangement in respect of real estate only if:
 - (a) the fund's interest in the joint venture arrangement is not subject to any restriction on transfer other than a right of first refusal, if any, in favour of the joint venturers;
 - (b) the fund has a right of first refusal to buy the interests of joint ventures; and
 - (c) the joint venture arrangement provides an appropriate buy-sell mechanism to enable the fund to cause the joint venturers to purchase the fund's interest or to sell their interests to the fund.
- (3) A segregated fund shall not lease or sublease to any person any real estate, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing real estate, premises or space having a fair market value net of encumbrances in excess of 20% of the net asset value of the fund.
- (4) A segregated fund shall not enter into any transaction involving the purchase of real estate or real estate improvements thereon and the leasing thereof back to the vendor where the fair market value net of encumbrances on the real estate being leased to the vendor together with all other real estate being leased by the fund to the vendor and its affiliates is in excess of 20% of the net asset value of the fund.
- (5) No units of a real estate segregated fund shall be issued under an individual variable insurance contract unless the premium relating thereto is fully paid for in cash. No individual variable insurance contract shall be issued, directly or indirectly, as consideration for real estate or services. No acquisition of real estate shall be made by a segregated fund on the condition or understanding that the vendor of the real estate subscribe for individual variable insurance contracts held in the segregated fund.
- (6) No investments can be made in any one parcel of real estate to an extent of more than 10% of the market value of the segregated fund's assets at the time of making the investments, except for the amount transferred by an insurer to establish a segregated fund, and no more than 25% of the transferred amount can be invested in any one parcel of real estate.
- (7) Unless a segregated fund has either reserved the right in its discretion to purchase real estate in its information folder or is a real estate fund, it must not participate in the purchase of real estate, other than real estate acquired from foreclosure of mortgages held by the segregated fund.
- (8) If on a redemption date a real estate segregated fund is unable to redeem all individual variable insurance contracts in respect of which redemption has been requested, redemptions shall be made "pro rata".

10.6 Mortgages:

- (1) Where a segregated fund invests in mortgages the investment policy of the segregated fund must state the following:
 - (a) that no investments can be made in any one mortgage to an extent of more than 5% of the market value of the segregated fund's assets at the time of making the investments, except for the amount transferred by an insurer to establish a segregated fund, and that no more than 25% of the transferred amount can be invested in any one mortgage;
 - (b) except for a mortgage approved or insured under the National Housing Act (Canada), which must be trans-

ferred at market value, state that the insurer cannot sell or transfer mortgage investments from or to a segregated fund of the insurer, to or from another fund of the insurer. A sale or transfer of a mortgage investment to a segregated fund from another fund of the insurer within 60 days of the first advance under the mortgage shall not be considered as a sale or transfer where there has been no material change in value since the date of the first advance. However, a sale or transfer may be made provided that such sale or transfer is effected at fair value as determined by an independent qualified appraiser;

- (c) where more than 10% of the segregated fund's market value is invested in mortgages or will be invested in mortgages, state the methods used to determine the market value of the mortgages, consistent with the following:

- (i) all mortgages must be divided into categories of similar risk characteristics. Certain mortgages must be placed in their own category, such as: leasehold mortgages; participation mortgages; mortgages on land only; construction mortgages and mortgages in default over 6 months;
- (ii) mortgages in each category must be valued at a principal amount that will produce the prevailing rate of return of new mortgage loans in that category and for an assumed duration. Refer to the remaining term to maturity, the period remaining until the date the mortgage can be repaid, and the relationship between the interest rate of the mortgage and the current existing market interest rates for that category of mortgages; and
- (iii) to calculate the value of a wrap-around mortgage, the wrap-around mortgage and the original mortgage shall each be valued separately, as set out in subparagraph (ii), and the value of the mortgage or mortgages must be deducted from the value of the wrap-around mortgage; and

- (d) where a segregated fund is invested in mortgages over 30% of the net asset value of the fund, there are minimum levels that must be met as a percentage or amount of the net asset value of the segregated fund held in liquid assets, as follows:

<u>Net Asset Value of the Fund</u>	<u>Minimum Amount to be in Liquid Assets</u>
Less than \$1,000,000	25% of net asset value of the fund
\$1,000,000 or more and less than \$2,000,000	20% of net asset value of the fund or \$250,000 whichever is greater
\$2,000,000 or more and less than \$5,000,000	15% of net asset value of the fund or \$400,000 whichever is greater
\$5,000,000	10% of the net asset value of the fund or \$750,000, whichever is greater.

- (2) A segregated fund is not permitted to invest in mortgages until its net assets are equal to or greater than \$350,000.
- (3) A segregated fund is not permitted to invest more than 10% of its assets in mortgages, unless the segregated fund is a mortgage fund. Only mortgages, representing up to 75% of the fair market value of the real estate as appraised by a qualified appraiser, unless insured, on real estate situated within Canada are permissible investments.

- (4) In addition to the general requirements for segregated funds set out in these Guidelines, a segregated fund held as a mortgage fund must comply with the following additional requirements:

- (a) "Liquid" or "liquidity" means,
 - (i) cash and treasury bills or other evidences of indebtedness issued, or fully guaranteed as to principal and interest, by:
 - (A) any of the Federal, Provincial or Territorial Governments of Canada or an agency thereof,
 - (B) the Government of the United States or any political subdivision thereof, the Government of any sovereign state or any supernatural agency, provided that such treasury bills or other evidences of indebtedness have an approved credit rating; or
 - (C) any Canadian financial institution as that term is defined under the Insurance Companies Act (Canada), provided that such treasury bills or other evidences of indebtedness have an approved credit rating; and
 - (ii) a NHA or provincially-insured mortgage-backed security.

- (b) The mortgage fund shall maintain the following liquidity levels:

below \$1 million	\$100,000
\$1 to \$2 million	10%
\$2 to \$5 million	\$200,000 + 9% on the next \$3 million
\$5 to \$10 million	\$470,000 + 8% on the next \$5 million
\$10 to \$20 million	\$870,000 + 7% on the next \$10 million
\$20 to \$30 million	\$1.52 million + 6% on the next \$10 million
over \$30 million	\$2.17 million + 5% on the excess.

- (c) The mortgage fund shall not invest in commercial, industrial or residential properties of more than 8 units until the mortgage fund has net assets totalling more than \$15,000,000.

- (5) If on a redemption date a mortgage segregated fund is unable to redeem all individual variable insurance contracts in respect of which redemption has been requested, redemptions shall be made "pro rata".

10.7 Borrowing:

- (1) An insurer shall not on behalf of a segregated fund pledge, mortgage or hypothecate its assets, except: (i) in the course of an acquisition or a renewal of the pledge, mortgage or hypothec; (ii) as a temporary measure for the purpose of accommodating requests for the redemption of units of the segregated fund while effecting an orderly liquidation of portfolio securities, and then only if after giving effect to such borrowing the outstanding amount of all such borrowings does not exceed 5% of the net assets of the segregated fund taken at market value at the time of such borrowing; or (iii) in accordance with Section 10.7(2) and (3) below.
- (2) A real estate segregated fund shall not assume or incur any indebtedness under a mortgage on the security of real property unless, at the date of the proposed assumption or incurring of indebtedness:

- (a) the aggregate of (i) the amount of all indebtedness secured on such real property and (ii) the amount of additional indebtedness proposed to be assumed or incurred does not exceed 75% of the market value of such real property; and
 - (b) the aggregate of (i) the total indebtedness of the segregated fund under mortgages on the security of real property and (ii) the amount of additional indebtedness proposed to be assumed does not exceed 50% of the total asset value of the segregated fund.
- (3) An insurer shall not on behalf of a real estate segregated fund directly or indirectly guarantee any indebtedness or liabilities of any kind except indebtedness assumed or incurred under a mortgage on the security of real property by a corporation wholly-owned by the insurer and operated solely for the purpose of holding a particular real property or properties on behalf of the segregated fund where such mortgage, if granted directly, would not cause the segregated fund to contravene Section 10.7(2) above.

10.8 Non-Arm's Length Transactions:

A segregated fund shall purchase an investment based on its prevailing market price, or where an investment is purchased other than through normal market facilities, based on what would have been its reasonably negotiated price with an arm's length party.

PART XI – PARTITIONING OF ASSETS HELD IN SEGREGATED FUNDS:

11.1 General:

This Part applies to the partitioning of assets within a segregated fund, other than as a routine internal accounting practice performed in the ordinary course of business, in order to effect a merger or other reorganization of a segregated fund.

11.2 Equitable Allocation:

Where an insurer wishes to partition assets within a segregated fund, the insurer shall determine that the allocation of assets is equitable to all variable insurance contractholders whether or not their variable insurance contracts are registered or non-registered, or were purchased by way of individual or group contracts.

11.3 Notice to Contractholders:

Each contractholder and each applicable Insurance Regulator shall receive written notice by regular mail to their last known address of such a partitioning of assets within a segregated fund at least 60 days prior to its occurrence. If the partitioning of assets occurs in conjunction with a merger of segregated funds, then the notice shall describe both events, and comply with Part XII below. If the partitioning of assets is not done in conjunction with a merger of segregated funds, then the notice shall explain why the insurer is partitioning the assets of the fund.

11.4 Terms of the Contract:

It is the duty of the insurer to satisfy itself that any partitioning of assets within a segregated fund complies with the terms of the individual and group variable insurance contracts that it has issued with respect to such a segregated fund.

PART XII – FUNDAMENTAL CHANGES AND MERGER OF SEGREGATED FUNDS

12.1 Merger with Another Segregated Fund of the Same Insurer:

From time to time, an insurer offering segregated funds as an investment under individual variable insurance contracts may wish to merge one of its segregated funds with another one (or more) of its segregated funds. The following additional steps are required to be taken:

- (a) The documents that create and support the merger shall be filed with the applicable Insurance Regulator(s) and shall provide the following information:
 - (i) all relevant legal and financial documents setting out the particulars of the two or more segregated funds proposed to be merged (the “terminating funds”), including a list of all affected contractholders from the terminating funds;
 - (ii) the method of merger (e.g., short form vertical amalgamation) of the terminating funds and the details of the managerial and custodial arrangements made for the resulting segregated fund (the “continuing fund”), including the details of any partitioning of assets from the terminating funds, as set out in Part XI above;
 - (iii) the benefits and rights that accrue to the affected contractholders under the continuing fund, including all details surrounding the assumption of any guarantees, rights, and the assumption of contract maturity dates for the continuing fund; and
 - (iv) any other information in connection with the steps to be taken under this Section that the applicable Insurance Regulator(s) requests.
- (b) Not less than 60 days prior to the date of the proposed merger, written notice of it shall be sent by regular mail to the affected contractholders of the terminating funds by the insurer responsible for the terminating funds to their last known addresses.
- (c) The written notice required in paragraph (b) above shall include an option permitting the affected contractholders of the terminating funds to “cash-out” their individual variable insurance contracts, without being charged any exit fees, provided that they give written notice of this election to their insurer at least 5 business days prior to the date of the proposed merger.
- (d) The written notice required in paragraph (b) above shall clearly state that if the contractholder chooses the “cash-out” option, rather than proceed with the merger, that the contractholder will receive the fair market value of the terminating fund held under the individual variable insurance contract, but will not receive the guarantee benefit, unless the individual variable insurance contract has reached maturity, or it coincides with the death benefit.

12.2 Merger with Another Segregated Fund of a Different Insurer:

Different insurers may wish to merge their segregated funds (the “terminating funds”) into a “continuing fund” arising from the merger of the insurers themselves, or as part of the sale of a block of insurance business. In such event, the following steps are required to be taken:

- (a) The documents that create and support the continuing fund, resulting from the merger of the terminating funds, shall be filed with the applicable Insurance Regulator(s) by the insurer assuming the continuing funds, and shall provide the following information:
 - (i) all relevant legal and financial documents regarding the particulars of the terminating funds;
 - (ii) the method of merger of the terminating funds and the arrangements made for the continuing fund, including the details of any partitioning of assets from the terminating funds, as set out in Part XI; above;
 - (iii) a copy of the executed Transfer and Assumption Agreement between the different insurers of the terminating funds with respect to all relevant assets and liabilities that will accrue to the continuing fund, including a copy of the executed Certificate of Assumption;

- (iv) the benefits and rights that accrue to the contractholders under the continuing fund, including all details surrounding the assumption of guarantee rights, and the assumption of contract maturity dates for the continuing fund; and
- (v) any other information in connection with the steps to be taken under this Section that the applicable Insurance Regulator(s) requests.
- (b) The insurer assuming the continuing fund shall assume all guarantees and maturity dates in the continuing fund that arise from the terminating funds.
- (c) Written notice of the proposed merger shall be sent by regular mail to the affected contractholders of the terminating funds by each respective insurer to each contractholder's last known address.
- (d) It is the responsibility of the insurer assuming the continuing fund to disclose to the contractholders any significant income tax implications resulting from the proposed merger.
- (e) The written notice required in paragraph (c) above shall include an option permitting the affected contractholders of the terminating funds to "cash-out" their individual variable insurance contracts, without being charged any exit fees, provided that they give written notice of this election to their insurer at least 5 business days prior to the date of the proposed merger.
- (f) The written notice required in paragraph (c) above shall clearly state that if the contractholder chooses the "cash-out" option, rather than proceed with the merger, the contractholder will receive the fair market value of the terminating fund held under the individual variable insurance contract, but will not receive the guarantee benefit, unless the individual variable insurance contract has reached maturity, or it coincides with the death benefit.

12.3 Fundamental Changes:

- (1) An insurer shall notify the contractholder in writing at least 60 days before making any of the following changes:
 - (a) an increase in the management fee which may be charged against the assets of the segregated fund;
 - (b) a change in the fundamental investment objectives of a segregated fund;
 - (c) a decrease in the frequency with which units of segregated fund are valued; or
 - (d) an increase in the insurance fee limit specified pursuant to Section 12.3(4)(b).
- (2) The notice required under Section 12.3(1) shall:
 - (a) provide the contractholder with the right to:
 - (i) transfer within the individual variable insurance contract, and without affecting any other rights or obligations of the contractholder under the terms of that contract, to a similar segregated fund offered by the insurer that is not subject to the fundamental change for which the notice is being delivered without incurring any deferred sales charges or similar fees, provided that the contractholder's election is received by the insurer at least 5 days prior to the expiry of the notice period required by section 12.3(1); or
 - (ii) if the insurer does not offer a similar fund, redeem the units of the segregated fund without incurring any deferred sales charges or similar fees, provided that the contractholder's election

is received by the insurer at least 5 days prior to the expiry of the notice period required by section 12.3(1);

- (b) be sent by regular mail to the affected contractholders at their last known addresses as shown on the records of the insurer;
- (c) During the notice period described above, an insurer may provide that a contractholder shall not be permitted to transfer to the fund subject to the change, unless the contractholder agrees to waive the right to redeem set out in Section 12.3(2).
- (d) The notice required by Section 12.3(1) shall be sent at the same time to the provincial/territorial insurance regulators and the CLHIA.

For the purposes of this Section, a similar segregated fund means a segregated fund that has comparable fundamental investment objectives, is in the same investment fund category (in accordance with fund categories published in a financial publication with broad distribution) and has the same or a lower management fee and insurance fee than the management fee and insurance fee of the segregated fund in effect at the time the notice is given.

- (3) An insurer proposing to make a fundamental change with respect to a segregated fund shall re-file the information folder in accordance with Section 4.2.
- (4) Insurance Fees:
 - (a) The Insurer may include an insurance fee as part of the management fee charged against the assets of the segregated fund or may separate it from the management fee. "Insurance fee" means an amount charged by the insurer with respect to the provision of insurance features of the individual variable insurance contract.
 - (b) If an Insurer separates the insurance fee from the management fee charged against the fund, then the insurer shall state in its information folder both the current insurance fee to be charged to each segregated fund and an insurance fee limit for each segregated fund. The insurance fee limit is the highest insurance fee that can be charged by the insurer before triggering the notification required by section 12.3(1). The insurance fee limit shall not exceed the current insurance fee plus the greater of 50 basis points and 50% of the current insurance fee.
 - (c) Any change to the insurance fee up to the maximum specified pursuant to Section 12.3(4)(b) shall be disclosed to the contractholder in the annual statement to contractholder pursuant to Section 5.4.

PART XIII – AUDIT AND ACCOUNTING REQUIREMENTS:

13.1 General:

(1) Accounting Principles:

The financial statements of a segregated fund shall be prepared in accordance with generally accepted accounting principles, the primary source of which is the Handbook of the Canadian Institute of Chartered Accountants.

(2) Auditing Standards:

The auditor's examination of the financial statements of a segregated fund shall be conducted in accordance with generally accepted auditing standards, the primary source of which is the Handbook of the Canadian Institute of Chartered Accountants.

13.2 Financial Statement Requirements:**(1) Statement of Operations:**

- (a) Every statement of operations of a segregated fund shall present fairly the results of the operations of the segregated fund for the period covered by the statement and the applicable comparative period and distinguish severally, at least:
- (i) dividend income;
 - (ii) interest income;
 - (iii) net rental income;
 - (iv) unrealized and realized gains and losses in investments;
 - (v) every other item of income that is material to the total revenue;
 - (vi) management fees;
 - (vii) other fees, including: audit fees, investment advisory fees, custodian's fees, legal fees, trailer fees and salaries where the amount is material to the total expenses;
 - (viii) the cost of contractholder's information where the amount is material to the total expenses;
 - (ix) every other item of expenses where the amount is material to the total expenses;
 - (x) other expenses;
 - (xi) net income from operations for the period; and
 - (xii) net asset value per unit as at the period end based on the number of units outstanding as at the period end, with prior period comparative.

(b) In Section 13.2(1),

“management fees” means the total fees paid by the segregated fund for portfolio management, investment advice and other services; and

“other expenses” and “other income” means the sum of those items of expense or income, other than dividend income, interest income, management fees, audit fees, directors' fees, custodian's fees and legal fees, that individually are not material to the total expenses or total income of the segregated fund for the period reported upon (i.e., the sum of immaterial items not listed elsewhere).

(2) Statement of Changes in Net Assets:

- (a) Every statement of changes in net assets of a segregated fund shall present fairly the information shown therein for the period covered by the statement and the applicable comparative period, and shall show separately at least:
- (i) net assets held at the beginning of the period;
 - (ii) premium or premium income;
 - (iii) net operating income (from the statement of operations);
 - (iv) less withdrawals;
 - (v) net assets at end of the period; and

- (vi) net asset value per unit as at the period end or the number of units outstanding as at the period end, with prior year comparisons.

(3) Statement of Net Assets:

- (a) Every statement of net assets of a segregated fund shall present fairly the financial position of the fund as at the date at which it is made up and the applicable comparative period, and distinguish severally, at least:
- (i) cash, term deposits and, if not included in the statement of investment portfolio, short term debt instruments;
 - (ii) dividends and accrued interest receivable;
 - (iii) net accounts receivable in respect of amounts due from contractholders;
 - (iv) net accounts receivable in respect of portfolio securities sold;
 - (v) every other class of assets that is material to the total assets;
 - (vi) other assets;
 - (vii) investments at market value with a notation of their cost;
 - (viii) total assets;
 - (ix) accrued expenses;
 - (x) net liabilities in respect of portfolio securities purchased;
 - (xi) amounts received from contractholders but not allocated;
 - (xii) every other class of liability that is material to the total liabilities;
 - (xiii) other liabilities;
 - (xiv) total liabilities; and
 - (xv) total net assets held for the benefit of the contractholders.

- (b) In Section 13.2(3), “other assets” or “other liabilities” means the sum of those classes of assets or liabilities, as the case may be, that as individual classes are not material to the total assets or total liabilities, as the case may be, of the segregated fund at the date reported upon.

- (c) Any of the specified classes of assets or liabilities which accounts for less than the amount determined to be material to the total assets or total liabilities, as the case may be, of the segregated fund at the date reported upon, may be omitted and the relevant amount included in “other assets” or “other liabilities” with an appropriate explanation made by note.

(4) Statement of Investment Portfolio:

- (a) Every statement of investment portfolio of a segregated fund shall present fairly the following information on the equities it holds, as at the date to which it is prepared:
- (i) the name of each issuer of securities held;
 - (ii) the class or designation of each security held;

- (iii) the number or aggregate face value of each class or designation of securities held;
 - (iv) the market value of each class or designation of securities held;
 - (v) the cost of each class or designation of securities held and, where the basis of computing cost is other than average cost, a statement of the basis of computing the cost; and
 - (vi) sub-total(s) of foreign equities.
 - (b) Every statement of investment portfolio of a segregated fund shall present fairly the following information on the fixed income securities it holds, as at the date to which it is prepared:
 - (i) the name of each issuer of securities held;
 - (ii) the contractual rate of the issue;
 - (iii) the maturity date of the issue;
 - (iv) the face value, cost and market value; and
 - (v) sub-total(s) of foreign fixed income securities, by investment grade, and percentage of each investment grade, where applicable, as part of total net assets. Where no investment grade exists, grade them as unrated.
 - (c) Every statement of investment portfolio of a segregated fund shall present fairly the following information on the mortgages it holds, as at the date to which it is prepared:
 - (i) the total number of mortgages held, and their total market value;
 - (ii) by province;
 - (iii) by type of mortgage, including distinguishing between: NHA and conventional first and second; houses, apartments or commercial; and maturity dates; and
 - (iv) by interest rate at 1/4% intervals.
 - (d) Every statement of investment portfolio of a segregated fund shall present fairly the following information on real property it holds as at the date to which it is prepared:
 - (i) the address;
 - (ii) a description of the type of property;
 - (iii) the date and cost of acquisition;
 - (iv) the appraised value and the date of appraisal value and the date of appraisal;
 - (v) the area in square feet;
 - (vi) the percentage of leasable area actually leased;
 - (vii) the amount of any mortgage granted or assumed; and
 - (viii) the amount of pre-tax net income generated during the previous period.
 - (e) Every statement of investment portfolio of a segregated fund shall disclose the following information with respect to derivatives that it holds as at the date to which it is prepared:
 - (i) for long positions in clearing corporation financial options disclose the underlying interest, the expiration month and year, and the market value;
 - (ii) for long positions in financial options on futures disclose the underlying interest, the expiration month and year of the financial option on futures, and the market value;
 - (iii) for written clearing corporation financial options disclose the particulars of the deferred credit account indicating the number of financial options, the underlying interest rate, the strike price, the expiration month and year, the premium received and the value as determined under Section 10.2(4);
 - (iv) for purchased over-the-counter financial options disclose the number of financial options, the credit rating of the issuer of the financial options, whether such rating has fallen below the approved credit rating, the underlying interest, the principal amount or quantity of the underlying interest, the strike price, the expiration date, the cost and the market value;
 - (v) for positions in future contracts disclose the underlying interest, the delivery month and year and the value as determined under Section 10.2(4);
 - (vi) for positions in forward contracts disclose the underlying interest, settlement date and the value as determined under Section 10.2(4); and
 - (vii) for swaps and forward contracts, the counterparty credit exposure determined as follows: the maximum credit exposure without taking into account the fair value of any collateral, in the event of counterparty default, plus potential exposure.
- (5) Notes to the Audited Financial Statements:**
- (a) The notes to a statement of operations of a segregated fund shall include:
 - (i) the basis for calculating the management fee;
 - (ii) the composition of other expenses and other revenue, unless otherwise disclosed in the material of which the income statement forms a part or which it accompanies;
 - (iii) the services rendered in consideration of the management fee;
 - (iv) the services provided to the segregated fund by those to whom salaries or other remuneration were paid;
 - (v) where an unusual change in expenses from period to period is not adequately explained by changes in net assets of the segregated fund, a description and explanation of the unusual change;
 - (vi) a description of the nature and extent of transactions with, and amount due to and from, related parties, such as the insurer offering the segregated fund; and
 - (vii) a description of the accounting policies used to determine how investment is accrued, how it is realized, how unrealized gains and losses are calculated and how foreign currency transactions are calculated.

- (b) The notes to a statement of net assets of a segregated fund shall include:
 - (i) where the basis of computing the cost of investments is other than average cost, a statement of the basis of computing the cost;
 - (ii) the composition of other assets and liabilities;
 - (iii) where market value is other than "quoted market value", the basis of determination; and
 - (iv) the accounting policies used with respect to the calculation and presentation of derivatives and the income derived therefrom.
- (c) The notes to the audited financial statements of a segregated fund shall include the management expense ratio for each fee option under an individual variable insurance contract for each of the last five completed financial years of the segregated fund, as described more fully in Section 9.4.

FORMS

FORM 1: INFORMATION REQUIRED IN THE INFORMATION FOLDER OF AN INSURER WITH AN INDIVIDUAL VARIABLE INSURANCE CONTRACT:

Instruction:

The information required in Form 1 should be stated in plain language without the use of technical terminology.

PART A. CONTRACT AND UNIT FEATURES:

ITEM 1. Description of the Individual Variable Insurance Contract:

Describe briefly the individual variable insurance contract offered and describe the material provisions of such contract, including without limiting the generality of the foregoing, the following information:

(a) Guarantee:

- (i) the benefits under the contract which are guaranteed; and
- (ii) the benefits under the contract which are not guaranteed but fluctuate with the market value of the assets of the segregated fund supporting them;

(b) Purchasing Units:

the method of determining the benefits related to the market value of the segregated fund and the amount of the surrender value of those benefits;

(c) Percentage of Premium Allocated to Benefits:

the percentage of the premium allocated to provide the benefits related to the market value of the segregated fund, when provision is made for part of the premium to be so allocated;

(d) Redemption, Surrender and Maturity Options:

surrender, loan, non-forfeiture, conversion, maturity or other option provisions and any charges with respect thereto;

(e) Manner of Determining the Price of Units on Acquisition or Transfer:

the manner of determining the price of units on acquisition or transfer, including any charges expressed in dollars and cents or as a percentage of premiums, as of the end of each of the first, third, and fifth year that the contract is in effect, a description of how to acquire or transfer units, and the minimum dollar amount to make an acquisition, either lump sum, or periodically;

(f) Charges on Withdrawal:

the manner in which the value of units on partial surrender and full surrender is calculated and the retention charges in the event of surrender of the contract clearly stated, and expressed in dollars and cents or as a percentage of premiums, as of the end of each of the first, third, and fifth year that the contract is in effect; and

(g) Fundamental Change Rights:

the nature, notice requirements and rights and obligations set out in section 12.3.

Instructions:

1. This item shall be set forth as the first item in the information folder, except that Item 4 below and other related information thereto may precede this item. The required information in paragraphs (b) to (f) above, inclusive, should be given by type and cross reference to the appropriate places in the information folder.
2. With respect to paragraphs (e) and (f) above, tabular illustrations may be used.

ITEM 2. Value of Units:

- (1) Describe briefly the method followed in determining the value of units to be credited to the individual variable insurance contract, surrendered under the contract and to measure the benefits under the contract.

Instruction:

State the frequency with which units are valued, the time when such value becomes effective and the length of time it remains in effect.

- (2) Describe the basis for establishing the value of the segregated fund.
- (3) Describe the charges or method of determining the charges, against the segregated fund for taxes, management, or any other expenses or charges on the basis actually charged and on an annual basis.

Instruction:

Indicate briefly any charge imposed for:

- (a) the crediting of units to the individual variable insurance contract;
- (b) the transfer of units in one segregated fund for units in another segregated fund;
- (c) the reinvestment of dividends and similar distributions;
- (d) service charges against the segregated fund including charges relating to such matters as cost of establishment of the individual variable insurance contract;
- (e) the cost of the continuing administration and maintenance of such contract; and
- (f) when giving particulars of the charges indicate when the charges will be deducted.

- (4) Describe the application of the earnings of the segregated fund.

- (5) Explain how the contractholder is notified of the number of units credited to or variable benefits available under the individual variable insurance contract and state how often the contractholder will be notified.

ITEM 3. Continuous Marketing:

State whether or not it is the intention of the insurer to engage in the continuous sale of individual variable insurance contracts.

PART B. INFORMATION ON SEGREGATED FUND MANAGEMENT:**ITEM 4. Description of the Insurer Issuing Individual Variable Insurance Contracts:**

Provide the full legal name and registered head office address of the insurer offering the individual variable insurance contract for sale. State the jurisdiction in which the insurer is incorporated.

ITEM 5. Custody of Securities:

State the name, address and principal business of the custodian of the segregated fund's assets, and describe the arrangements entered into by the insurer on behalf of the segregated fund.

ITEM 6. Policies with respect to Investments for the Segregated Fund:

In accordance with Section 10.1(1) of these Guidelines, provide a brief statement of the investment policy of the segregated fund. In accordance with Section 5.2(e) of these Guidelines, state that a detailed description of the segregated fund's investment policy is available from the insurer with specific information as to how it can be accessed or obtained.

ITEM 7. Tax Status of the Segregated Fund:

State any taxes that may be imposed on the insurer that would be payable by the insurer from or on behalf of the segregated fund which would constitute a charge upon, or deduction from, the segregated fund and explain the income tax position of the insurer with respect to its segregated fund.

ITEM 8. Tax Status of Contractholders:

State in general terms the income tax consequences to those contractholders who hold individual variable insurance contracts and whether or not an investment in the segregated fund may be a qualified investment for the purpose of a deferred income plan under the Income Tax Act. Describe, if applicable, in plain language, the tax status of the individual variable insurance contract which has a particular advantage under the Income Tax Act as a registered contract.

ITEM 9. Segregated Fund Manager and Advisor:

Where the manager or advisor of the segregated fund is a person other than the insurer, state the name and address of the person who performs such function. Describe any relationship between such person and the insurer and the methods that have been established to deal with conflicts of interest, if any.

ITEM 10. Interest of Management and Others in Material Transactions:

Describe briefly any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years prior to the date of the filing of the latest information folder, which has materially affected, the insurer or any of its subsidiaries with respect to the segregated fund,

1. The principal broker of the insurer.
2. Any director or senior officer of the insurer.
3. Any associate or affiliate of the foregoing persons or companies.

PART C. FEES AND SALES INCENTIVES:**ITEM 11. Management Fees and Other Expenses:**

State the current management fees expressed as a percentage of the net assets of the segregated fund and all other "expenses" which may be charged against the assets of the segregated fund under the individual variable insurance contract. Explain how the management fee and other expenses are calculated and to whom they are paid.

Instruction:

The term "other expenses" shall mean all other expenses incurred in the ordinary course of business relating to the organization, management and operation of the segregated fund including interest charges (if any) and all taxes other than income taxes, with the exception of commissions and brokerage fees on the purchase and sale of portfolio securities.

ITEM 12. Other Fees and Charges:

Describe, by type, all the other fees and charges which may be charged against the assets of the segregated fund under the individual variable insurance contract, which do not fall under Item 11. Specifically, describe any sales commissions, loads, trailer fees, deferred charges, exchange charges, early redemption charges, trustee fees, administrative fees, and any fees or charges paid by the manager of the fund, that are charged against the assets of the segregated fund.

PART D. RESTRICTIONS, RISK FACTORS AND SIGNIFICANT HOLDINGS IN OTHER ISSUERS:**ITEM 13. Investments in Mortgages, Real Estate and Derivatives:**

Where applicable, provide an overview as follows of all investments in mortgages, real estate and derivatives held by the segregated fund:

(a) Mortgage Disclosure:

State briefly the segregated fund's investments in mortgages, including by the type of mortgage, by province, and by rates, at 1/4% intervals. Any investments made in mortgages must comply with the relevant provisions respecting Investments set out in Part X of these Guidelines.

(b) Real Estate Disclosure:

State briefly the segregated fund's investments in real estate, and briefly state the segregated fund's policy on real estate acquisition, appraisals and valuations. Any investments made in real estate must comply with the relevant provisions respecting Investments set out in Part X of these Guidelines.

(c) Derivatives Disclosure:

State the purpose of the use of derivatives in the segregated fund; the type of derivatives used; whether they are exchange traded or over-the-counter; the degree of leverage involved; and, describe the markets that the derivatives provide the segregated fund with exposure to, or reduce exposure from. Any investments made in derivatives must comply with the relevant provisions respecting Investments set out in Part X of these Guidelines.

ITEM 14. Material Contracts:

Give particulars of every material contract entered into by the insurer or any of its subsidiaries within two years prior to the date of the filing of the latest information folder and state a reasonable time and place at which the contract, or copy thereof, may be inspected.

The term "material contract" means any contract that can be reasonably regarded as presently material to the proposed contractholder with respect to the segregated fund and not in the ordinary and normal course of business.

ITEM 15. Other Material Facts:

Give particulars of any other material facts relating to the individual variable insurance contract proposed to be sold and not disclosed pursuant to the foregoing items.

PART E. FINANCIAL STATEMENTS:**ITEM 16. Statement of Operations:**

Provide the audited Statement of Operations described in Section 13.2(1) of these Guidelines.

ITEM 17. Statement of Changes in Net Assets:

Provide the audited Statement of Changes in Net Assets described in Section 13.2(2) of these Guidelines.

ITEM 18. Statement of Net Assets:

Provide the audited Statement of Net Assets described in Section 13.2(3) of these Guidelines.

ITEM 19. Statement of Investment Portfolio:

Provide the audited Statement of Investment Portfolio described in Section 13.2(4) of these Guidelines.

ITEM 20. Notes to the Audited Financial Statements:

Provide the notes to the audited financial statements described in Section 13.2(5) of these Guidelines.

ITEM 21. Financial Highlights:

Tables

- (1) Provide selected financial information about the segregated fund under the heading "Financial Highlights", in the form of the following tables, appropriately completed, and introduced using substantially the following words:

"The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past [insert number] years. This information is derived from the Fund's audited annual financial statements. Please see page [insert page number] for information about how you can obtain either the Fund's semi-annual unaudited or annual audited financial statements."

- (a) Where the segregated fund does not provide for distributions (as opposed to allocations for tax purposes), provide the information in the following table:

The Fund's Net Asset Value per Unit

	[insert year]	[insert year]	[insert year]	[insert year]	[insert year]
Net asset value at [insert last day of financial year] of year shown	\$	\$	\$	\$	\$

- (b) Where the segregated fund does provide for distributions of income and net capital gains, provide the following table:

The Fund's Distributions and Net Asset Value per Unit

	[insert year]	[insert year]	[insert year]	[insert year]	[insert year]
Distributions:	\$	\$	\$	\$	\$
From net income	\$	\$	\$	\$	\$
From realized gain	\$	\$	\$	\$	\$
Return on capital	\$	\$	\$	\$	\$
Total Annual Distributions ⁽¹⁾	\$	\$	\$	\$	\$
Net asset value at [insert last day of financial year] of year shown	\$	\$	\$	\$	\$

⁽¹⁾Distributions were [paid in cash/reinvested in additional [units] of the Fund].

and

- (c) the following table must be provided for all segregated funds:

Ratios and Supplemental Data

	[insert year]	[insert year]	[insert year]	[insert year]	[insert year]
Net assets (000's) ⁽¹⁾	\$	\$	\$	\$	
Number of units outstanding ⁽¹⁾					
Management expense ratio ⁽²⁾	%	%	%	%	
Portfolio turnover rate ⁽³⁾	%	%	%	%	

⁽¹⁾This information is provided as at [insert date of end of financial year] of the year shown, and is not required in respect of financial years prior to 2002. However, companies may choose to report this information for periods prior to 2002, if available. For funds that have had five financial year-ends as at the date this rule comes into effect, until such time as such information is provided for five consecutive years, companies should continue to deliver audited financial statements to contractholders together with the Information Folder. For funds that have had less than five financial year-ends, as at the date this rule comes into effect, financial highlights can be provided for the number of years that the fund has been in existence, in order to avoid the requirement to deliver audited financial statements with the Information Folder.

⁽²⁾The management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

⁽³⁾The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. If the segregated fund is a fund-of-fund(s), the portfolio turnover rate shall be provided for the underlying fund(s).

- (2) Derive the selected financial information in the tables referred to in subsection (1) from the audited annual financial statements of the segregated fund.
- (3) Provide per unit amounts to the nearest cent, and provide percentage amounts to two decimal places.
- (4) Provide the selected financial information required by this Item in chronological order for each of the five most recently completed financial years of the segregated fund for which audited financial statements have been filed, with the information for the most recent financial year in the first column on the right of the table.
- (5) If the segregated fund was not in existence or was not available pursuant to an individual variable insurance contract for any year for which information would otherwise be required to be provided under subsection (4), the tables shall not include any information for that year and the segregated fund shall disclose by way of a note to the table that the information is unavailable because the segregated fund only came into existence or became available pursuant to an individual variable insurance contract on a date specified in that note.
- (6) The management expense ratio for any period less than a full financial year of a segregated fund shall be annualized.
- (7) If the basis of the calculation of the management fees or of the other fees, charges or expenses that are charged to the segregated fund is changed or is proposed to be changed and if the change would have had an effect on the management expense ratio for the

last completed financial year of the segregated fund if the change had been in effect throughout that financial year, disclose the effect of the change on the management expense ratio in a note to the appropriate table.

Do not include disclosure concerning portfolio turnover rate for a money market fund.

Instructions:

1. Calculate the segregated fund's portfolio turnover rate by dividing the lesser of amounts of the purchases and sales of portfolio securities for the financial year by the average of the value of the portfolio securities owned by the segregated fund in the financial year. Calculate the monthly average by totaling the values of portfolio securities as at the beginning and end of the first month of the financial year and as at the end of each of the succeeding 11 months and dividing the sum by 13. Exclude from both numerator and denominator amounts relating to all securities having a remaining term to maturity on the date of acquisition by the segregated fund of one year or less.
2. Calculate the management expense ratio of the segregated fund as required by Section 9.4.

ITEM 22. Auditor:

Provide the name and address of the independent accountant who performed the audit of the segregated fund.

FORM 2: COMPLIANCE REPORT

Questionnaire on Investment, Advertising and Sales Communication Procedures, and Investment Manager Proficiency with respect to XYZ Segregated Fund of ABC Life Insurance Company*

YES	NO	NOT APPLICABLE	
OBJECTIVE The objective of the internal procedures is to ensure that each segregated fund has written internal procedures outlining how the investment and lending policies for the fund will be implemented and monitored, and to address all relevant exposures and to ensure that procedures are established to ensure compliance with the advertisement and sales communication requirements of the Guidelines on Individual Variable Insurance Contracts relating to Segregated Funds ("the Guidelines").			
PROCEDURES The internal investment and lending procedures must comply with the following provisions: be in writing; identify responsibilities and accountabilities; set out the process for recommending, approving, and implementing decisions; prescribe the frequency and format of reporting; and, describe the method of classifying loans and investments and the basis for valuing loans and investments that are not regularly traded. These procedures should address exposures from items recorded on the face of the financial statements and disclosed in the notes to the financial statements.			
REQUIREMENTS The insurer must provide for the following additional matters with respect to the segregated fund:			
(a) set out, in writing, all custodial arrangements of the segregated fund's assets;			
(b) monitor the segregated fund's exposure to fluctuations in interest rates, foreign exchange rates, and market values;			
(c) establish a system to verify all trades and transactions;			
(d) establish procedures to deal with potential sources of conflicts of interest, particularly for those persons responsible for the fund's investment and lending policies;			
(e) establish an investment policy for the segregated fund in accordance with the Guidelines;			

(f)	establish a lending policy, as follows: establishing limits on aggregate outstanding loans by type of loan broken down by major category (e.g., commercial, consumer); set limits to the source of loans where third parties (e.g., mortgage brokers or syndications) are relied upon; and establish an aggregate limit for externally-sourced loans;			
(g)	comply with the audit requirements established under the Guidelines;			
(h)	establish standards of quality for investments and loans (e.g., use ratings from recognized rating agencies for rated investments; establish own internal standards for non-rated investments and for assessing the credit quality of borrowers);			
(i)	establish limits, where applicable, on exposures to industries and geographic regions;			
(j)	establish limits to contain the risks arising from potential changes in currency or interest rates;			
(k)	establish restrictions and the use of derivatives in accordance with the Guidelines;			
(l)	maintain portfolio data in a manner that facilitates analysis (e.g., compare outstanding amounts against the limits established in its contracts, analyze asset quality/concentration);			
(m)	establish procedures to ensure compliance with the advertisement and sales communication requirements of the Guidelines in respect of the segregated fund, including the warnings that must be given;			
(n)	establish procedures to ensure that investment managers of segregated funds are suitable, and registered, or are qualified to be registered, as an Advisor, in the category of Investment Counsel and Portfolio Manager under the Securities Act (Ontario) (or comparable provisions of the securities acts of any province or territory), or, have managed a portfolio of assets with a minimum value of \$5 million for a period of 5 years, including the current year prior to the application. [Note: if a comparable provision of the securities act of any province or territory permits registration based on experience without specifying a minimum value of the portfolio being managed, then the minimum shall be \$5 million].			

The ABC Life Insurance Company has established policies on the areas noted above, has procedures in place for monitoring compliance with such policies and hereby certifies that the investment managers of its segregated funds comply with paragraph (n).

Date:

Signed By:

Chief Executive Officer, Chief Investment Officer, or Chief Financial Officer of the Insurer, or a director or officer appointed for the purpose

* In the event any of the functions in this form are delegated to a third party, then the insurance company must indicate that it has policies in place to monitor such functions and ensure that they are being properly carried out by such third parties.

SCHEDULE 1

Approved Credit Rating

1. The approved credit rating with respect to money market funds, over-the-counter financial options and forward contracts, or the equivalent debt of the other party thereto, is a credit rating that is equal to or higher than the level indicated in the table below:

APPROVED RATING AGENCY	COMMERCIAL PAPER	DEBT
Canadian Bond Rating Service Inc.	A-1	A
Dominion Bond Rating Service Limited	R-1-L	A
IBCA Limited	A-1	A
Moody's Investors Service, Inc.	P-1	A
Standard & Poor's Corporation	A-1	A

provided that

- (i) there has been no announcement that the rating may be down-graded to a level below the level so indicated; and
- (ii) no other Approved Rating Agency, as noted above, has rated the over-the-counter financial option or forward contract, or equivalent debt of the other party to the transaction, below the level so indicated unless the over-the-counter financial option or forward contract is a government security issued or guaranteed by the Federal, Provincial or Territorial Governments of Canada or is issued or guaranteed by the Government of the United States of America.

Ontario Securities Commission Commission des valeurs mobilières de l'Ontario

5.1 Rules

5.1.1 NI - 55-102 - System for Electronic Disclosure by Insiders (SEDI)

NATIONAL INSTRUMENT 55-102

SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)

PART 1 – DEFINITIONS AND INTERPRETATION

1.1 Definitions – In this Instrument

“access key” means an alpha-numeric code issued by SEDI or the SEDI operator in respect of an insider that files an insider profile in SEDI format or in respect of a SEDI issuer that files an issuer profile supplement in SEDI format;

“class” includes a series of a class;

“filing agent” means a person or company that is authorized by a SEDI filer to make a SEDI filing on behalf of the SEDI filer;

“insider profile” means the information that is required under Form 55-102F1;

“insider report” means a report required to be filed under the insider reporting requirement;

“issuer event” means a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of securities of an issuer in the same manner, on a per share basis;

“issuer event report” means the information that is required under Form 55-102F4;

“issuer profile supplement” means the information that is required under Form 55-102F3;

“paper format” means information printed on paper;

“SEDI” means the online computer system providing for the transmission, receipt, review and dissemination of insider reports and related information filed electronically, which is known as the System for Electronic Disclosure by Insiders;

“SEDI filer” means a person or company that is required to make a SEDI filing in accordance with this Instrument;

“SEDI filing” means information that is filed under securities legislation or securities directions in SEDI format, or the act of filing information under securities legislation or securities directions in SEDI format, as the context indicates;

“SEDI format” means information entered electronically in SEDI using the SEDI software application located at the SEDI web site;

“SEDI issuer” means a reporting issuer, other than a mutual fund, that is required to comply with National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*, including a foreign issuer referred to under paragraph 2 of subsection 2.1(1) of that Instrument;

“SEDI operator” means CDS INC. or a successor appointed by the securities regulatory authority to operate SEDI;

“SEDI software application” means the software on the SEDI web site that provides SEDI users with the functionality to make SEDI filings;

“SEDI user” means an individual who has registered in accordance with subsection 2.5(2);

“SEDI web site” means the web site maintained by the SEDI operator for the filing of information in SEDI format;

“transfer report” means

- (a) in Alberta, Saskatchewan, Ontario, Nova Scotia or Newfoundland, a report required to be filed by an insider of a reporting issuer under securities legislation if the insider transfers securities of the reporting issuer into the name of an agent, nominee or custodian; or
- (b) in Quebec, a report required to be filed by an insider of a reporting issuer under securities legislation if the insider registers or causes to be registered any security of the reporting issuer in the name of a third person;

“user registration form” means the information that is required under Form 55-102F5.

PART 2 – SEDI FILING REQUIREMENTS

2.1 Filing of Insider Profile

- (1) An insider of a SEDI issuer shall file an insider profile or an amended insider profile in SEDI format before the insider files an insider report in SEDI format in respect of that SEDI issuer.
- (2) An insider profile shall contain the information required under Form 55-102F1.
- (3) An insider that has filed an insider profile under subsection (1) shall file an amended insider profile in SEDI format containing the information required under Form 55-102F1
 - (a) if there is a change in the insider’s name or the insider’s relationship to any SEDI issuer disclosed in the insider’s most recently filed insider profile, or if the insider ceases to be an insider of any such SEDI issuer, within 10 days after the occurrence of the event, or
 - (b) if there has been any other change in the information disclosed in the insider’s most recently filed insider profile, at the time that the insider next files an amended insider profile or an insider report in SEDI format.
- (4) An insider that is required to file an insider profile in SEDI format shall not file more than one insider profile.

2.2 Filing of Insider Reports in SEDI Format

- (1) An insider of a SEDI issuer that is required by securities legislation to file an insider report in that capacity shall file the insider report in SEDI format through a SEDI user.
- (2) For greater certainty, a SEDI user under subsection (1) includes the insider if that insider becomes registered as a SEDI user on or before the time that the insider report is due to be filed.
- (3) An insider report that is filed in SEDI format shall contain the information required under Form 55-102F2.

2.3 Filing of Issuer Profile Supplement

- (1) A SEDI issuer shall file an issuer profile supplement in SEDI format within three business days after the date that it becomes a SEDI issuer.
- (2) An issuer profile supplement that is required to be filed under subsection (1) shall contain the information required under Form 55-102F3.
- (3) A SEDI issuer shall file an amended issuer profile supplement in SEDI format immediately if

- (a) the SEDI issuer issues any security or class of securities that is not disclosed in its issuer profile supplement;
- (b) there is any change in the designation of any security or class of securities of the SEDI issuer disclosed or required to be disclosed in its issuer profile supplement;
- (c) any security or class of securities of the SEDI issuer disclosed or required to be disclosed in its issuer profile supplement has ceased to be outstanding and is not subject to issuance at a future date; or
- (d) there is any other change in the information disclosed or required to be disclosed in its issuer profile supplement.

2.4 Filing of Issuer Event Report

- (1) A SEDI issuer shall file an issuer event report in SEDI format no later than one business day following the occurrence of an issuer event.
- (2) An issuer event report that is required to be filed under subsection (1) shall contain the information required under Form 55-102F4.

2.5 SEDI Users

- (1) An individual who is a SEDI filer, a filing agent, or an authorized representative of a SEDI filer or filing agent, may use SEDI for the purpose of making SEDI filings.
- (2) Before using SEDI to make SEDI filings, an individual referred to in subsection (1) shall register as a SEDI user by
 - (a) completing and submitting a user registration form in SEDI format; and
 - (b) delivering a copy of the completed user registration form in paper format to the SEDI operator for verification by the SEDI operator.
- (3) A user registration form under subsection (2) shall contain the information required under Form 55-102F5 and the paper format copy of the user registration form under paragraph (2)(b) shall contain the manual or facsimile signature of the individual being registered.
- (4) The paper format copy of the user registration form referred to in paragraph (2)(b) shall be delivered to the SEDI operator by prepaid mail, personal delivery or facsimile at the address or facsimile number indicated on the printed copy of Form 55-102F5, as applicable.

PART 3 – FILING OF REPORTS IN PAPER FORMAT

3.1 Filing of Insider Reports in Paper Format

- (1) An insider report that is not required to be filed in SEDI format under this Instrument shall be filed in paper format.
- (2) An insider report that is required to be filed in paper format shall be prepared in accordance with Form 55-102F6, subject to any provision of securities legislation that permits the use of an alternative form of report in the particular circumstances.
- (3) An insider report that is prepared in accordance with Form 55-102F6 shall be manually signed and shall be filed either
 - (a) by prepaid mail or personal delivery to the address of the securities regulatory authority set forth on Form 55-102F6; or
 - (b) by facsimile to the facsimile number of the securities regulatory authority set forth on Form 55-102F6.

3.2 Filing of Transfer Reports in Paper Format

- (1) In Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia or Newfoundland, a transfer report shall be filed in paper format and shall be prepared in accordance with Form 55-102F6.

- (2) A transfer report that is prepared in accordance with Form 55-102F6 shall be manually signed and shall be filed either
 - (a) by prepaid mail or personal delivery to the address of the securities regulatory authority set forth on Form 55-102F6; or
 - (b) by facsimile to the facsimile number of the securities regulatory authority set forth on Form 55-102F6.

PART 4 – SEDI FILING EXEMPTION

4.1 Temporary Hardship Exemption

- (1) If unanticipated technical difficulties or failure by a SEDI issuer to file its issuer profile supplement prevent the timely submission of an insider report in SEDI format, a SEDI filer shall file the insider report in paper format as soon as practicable and in any event no later than two business days after the day on which the insider report was required to be filed.
- (2) An insider report filed in paper format under subsection (1) shall be prepared in accordance with Form 55-102F6 and shall include the following legend in capital letters at the top of the front page:

IN ACCORDANCE WITH SECTION 4.1 OF NATIONAL INSTRUMENT 55-102 SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI), THIS INSIDER REPORT IS BEING FILED IN PAPER FORMAT UNDER A TEMPORARY HARDSHIP EXEMPTION.

- (3) The requirements of securities legislation relating to paper format filings of insider reports apply to a filing under subsection (1) except that signatures to the paper format document may be in typed form rather than manual format.
- (4) If an insider report is filed in paper format in the manner and within the time prescribed in this section, the date by which the information is required to be filed under securities legislation is extended to the date on which the filing is made in paper format.
- (5) If a SEDI filer makes a paper format filing under this section, the SEDI filer shall file the insider report in SEDI format as soon as practicable after the unanticipated technical difficulties have been resolved or the insider has become aware that the SEDI issuer has filed its issuer profile supplement, whichever is applicable.

PART 5 – PREPARATION AND TRANSMISSION OF SEDI FILINGS

5.1 Manner of Effecting SEDI Filings – A SEDI filing shall be prepared and transmitted using the SEDI software application located at the SEDI web site.

5.2 Access Key – After an issuer profile supplement or an insider profile has been filed by or for a SEDI filer, all information filed in SEDI format by or for the SEDI filer shall be authenticated using the SEDI filer's access key.

5.3 Format of Information and Number of Copies – A requirement in securities legislation relating to the format in which a report or other information to be filed must be printed or specifying the number of copies of a report or other information that must be filed does not apply to a SEDI filing made in accordance with this Instrument.

PART 6 – EXEMPTION

6.1 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.

PART 7 – TRANSITION TO ELECTRONIC FILING

7.1 SEDI Issuers - An issuer that is a SEDI issuer on October 29, 2001 shall file an issuer profile supplement in SEDI format within five business days after that date.

7.2 Transactions Before Effective Date - If, at any time on or after November 13, 2001, an insider of a SEDI issuer is filing an insider report, including an amended insider report, in respect of a relationship to, or a transaction in securities of, the SEDI issuer which arose or occurred prior to that date, the insider shall file the insider report in SEDI format.

PART 8 – EFFECTIVE DATE**8.1 Effective Date**

- (1) Except for sections 2.1, 2.2, 2.4, 3.1 and 3.2, this Instrument comes into force on October 29, 2001.
- (2) Sections 2.1, 2.2, 2.4, 3.1 and 3.2 come into force on November 13, 2001.

FORM 55-102F1**Insider Profile**

An insider profile filed in SEDI format shall contain the information prescribed below. The information shall be entered using the online version of this form accessible by SEDI users at the SEDI web site (www.sedi.ca). All references to web pages, fields and lists relate to the online version of the form.

If the insider is an individual, start entering information on the web page titled "Create insider profile (Form 55-102F1) – Enter individual information". If the individual insider has submitted a SEDI user registration form, select "Copy your user registration information" to avoid re-entering the insider's personal information. If the insider is not an individual, select "Enter company information" and start entering information on the web page titled "Create insider profile (Form 55-102F1) - Enter company information".

1. Insider's full legal name

Provide the full legal name of the insider. Use upper and lower case letters as applicable. Do not use initials, nicknames or abbreviations. If the insider is an individual, complete the "Insider family name" and the "Insider given names" fields. If the insider is not an individual, provide the full legal name of the insider in the "Insider company name" field.

2. Name of insider representative (if applicable)

If the insider is not an individual, provide the full legal name of an individual representative of the insider using the "Family name" and "Given names" fields. Use upper and lower case letters as applicable. Do not use initials, nicknames or abbreviations.

3. Insider's address

If the insider is an individual, provide the insider's principal residential address. Otherwise, provide the business address where the insider's representative (provided in item 2 above) is employed. In either case, select or provide the country and provide the address (street name and number, etc.), the municipality (city, town, etc.), province, territory or state and postal or zip code, as applicable. A post office box or similar mailing address is not acceptable.

4. Insider's telephone number

Provide a daytime telephone number for the insider (if the insider is an individual) or for the insider's representative (if the insider is not an individual).

5. Insider's fax number (if applicable)

If available, provide a fax number for the insider (if the insider is an individual) or for the insider's representative (if the insider is not an individual).

6. Insider's e-mail address (if applicable)

If available, provide an e-mail address for the insider (if the insider is an individual) or for the insider's representative (if the insider is not an individual).

7. Correspondence in English or French

If the insider is an individual resident in Quebec, the insider may choose to receive any correspondence from the Quebec securities regulatory authority in English. If no choice is made, any correspondence from the Quebec securities regulatory authority shall be in French. If the insider is a person or company other than an individual and is resident in Quebec, any correspondence from the Quebec securities regulatory authority shall be in French.

If the insider is resident in Manitoba, New Brunswick or Ontario, the insider may choose to receive any correspondence from the local securities regulatory authority in French. If no choice is made, any correspondence from the local securities regulatory authority shall be in English.

8. Confidential question and answer

Provide a "confidential question" and an answer to the confidential question for use in verifying the identity of the insider or the insider's representative if a request is being made to the SEDI operator for a new insider access key. Keep a record of the confidential question and answer in a secure location.

9. Add name(s) of reporting issuer(s)

Add the name of each reporting issuer in respect of which the insider is required to file an insider report in SEDI format. Search for and select each reporting issuer to be added from a database of all SEDI issuers provided for this purpose. Use the reporting issuer's SEDAR number or its legal name (in English or French) to conduct your search. Make sure you select the correct reporting issuer before you proceed further. If you are unable to find the reporting issuer that you are searching for, contact the reporting issuer or the SEDI operator for assistance. Note that the reporting issuer will not appear in your search results unless the reporting issuer has created an issuer profile in SEDAR and filed an issuer profile supplement in SEDI.

If the insider has ceased to be an insider of a reporting issuer added previously to the insider profile, see item 12 below.

10. Insider's relationship to reporting issuer

For each reporting issuer added under item 9 above, disclose all of the insider's relationships to that reporting issuer by selecting from the list of relationship types provided.

11. Date the insider became an insider or date of previous paper filing

For each reporting issuer added under item 9 above, if the insider has not filed an insider report in respect of the reporting issuer since becoming an insider, provide the date on which the insider became an insider of the reporting issuer. Alternatively, if the insider has previously filed an insider report in paper format in respect of the reporting issuer, provide the date of the insider's last paper filing in respect of the reporting issuer.

12. Date the insider ceased to be an insider

If the insider has ceased to be an insider of a reporting issuer added previously to the insider profile, amend the insider profile by providing the date on which the insider ceased to be an insider of the reporting issuer in the fields provided for this purpose on the web page titled "Amend insider profile - Amend issuer information."

Optional Information

An insider profile filed in SEDI format may, at the option of the insider, contain the following additional information:

13. Additional contact information

For each reporting issuer added to the insider profile, the insider may provide another address at which the insider prefers to be contacted (such as a business address) or may provide contact information for another individual who is to be contacted by the securities regulatory authority instead of the insider. To provide additional contact information, check the applicable box under "Optional information" on the web page titled "Create insider profile – Enter information about the insider's relationship to the issuer".

14. Add name(s) of registered holder(s) of securities

If the insider is required to file an insider report in respect of securities owned indirectly or over which control or direction is exercised, the insider must provide the name of the registered holder of the securities at the time the insider report is filed. To assist the insider in complying with this requirement, for each reporting issuer added to the insider's profile the insider may add the name(s) of the registered holder(s) of securities of the reporting issuer that the insider is required to provide in an insider report.

To add the name(s) of the registered holder(s) for the reporting issuer, check the applicable box under "Optional information" on the web page titled "Create insider profile – Enter information about the insider's relationship to the issuer". Any name added to the insider's profile in this manner may be selected when an insider report is prepared in SEDI format and registered holder information is required. The full legal name of the registered holder must be provided in each case.

Securities beneficially owned directly but held through a nominee such as a broker or book-based depository are considered direct holdings.

Amending Insider Profile To Add a Reporting Issuer

If an insider that has previously filed an insider profile is required to file an insider report in SEDI format in respect of a reporting issuer that is not already disclosed in the insider profile, amend the insider profile to add the name of the reporting issuer, to disclose all of the insider's relationships to the reporting issuer and to provide the date the insider became an insider or the date of the previous paper filing, as applicable. Provide the information required in items 9, 10 and 11 above.

Certification

Prior to submitting an insider profile, the insider or the insider's agent must certify that the information is true and complete in every respect by selecting "Certify" on the web page titled "Create insider profile – Certify and file insider profile" and following the instructions provided for this purpose. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the insider is still responsible for ensuring that the information filed by the agent is true and complete. It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Notice – Collection and Use of Personal Information

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities set out below for purposes of the administration and enforcement of certain provisions of the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland. Some of the required information will be made public pursuant to the securities legislation in each of the jurisdictions indicated above. Other required information will remain confidential and will not be disclosed to any person or company except to any of the securities regulatory authorities or their authorized representatives. If you have any questions about the collection and use of this information, you may contact the securities regulatory authority in any jurisdiction(s) in which the required information is filed, at the address(es) or telephone number(s) set out below. In Quebec, questions may also be addressed to the Commission d'accès à l'information du Québec (1-888-528-7741, web site: www.cai.gouv.qc.ca).

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P.O. Box 10142, Pacific Centre
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Attention: FOI Coordinator
Telephone: (416) 593-8314

Saskatchewan Securities Commission
800-1920 Broad Street
Regina, SK S4P 3V7
Attention: Director
Telephone: (306) 787-5645

FORM 55-102F2**Insider Report**

An insider report filed in SEDI format shall contain the information prescribed below. The information shall be entered using the online version of this form accessible by SEDI users at the SEDI web site (www.sedi.ca). All references to web pages, fields and lists relate to the online version of the form.

If a position or transaction being reported by the insider involves an option, warrant, right or other derivative, the information prescribed by items 18 to 25 below must be included in the insider report, if applicable. For each reporting issuer in respect of which one or more positions or transactions are being reported by an insider, start by navigating to the web page titled "File insider report (Form 55-102 F2) – Select issuer" and then provide the information required in the circumstances.

1. Name of reporting issuer

Provide the name of the reporting issuer for the securities that are the subject of the insider report by selecting the reporting issuer's name from the list of one or more reporting issuer names added previously to the insider's profile. If the name of the applicable reporting issuer does not appear in the list, the insider's profile must be amended to add the name of the applicable reporting issuer before the insider report can be completed. A separate insider report must be completed for each reporting issuer in respect of which the insider has a reporting obligation.

2. Amended insider report

If the insider is amending information contained in an insider report filed previously in SEDI format, the amended insider report shall contain all of the information required to be disclosed in the previous insider report in its amended form.

If the insider is amending information contained in an insider report filed previously in paper format, select "Amend paper filing" on the "Amend insider transaction" web page and complete a new insider report in SEDI format containing all of the information required to be disclosed in the previous paper filing in its amended form. In the "General remarks" field on the "File insider report – Enter transaction information" web page, provide the date on which the previous paper filing was made.

3. Review issuer information

Review the information contained in the insider's profile with respect to the selected reporting issuer to ensure that it is correct. If required, select "Amend" to file an amended insider profile.

4. Review new issuer event reports

If the reporting issuer has filed an issuer event report that has not previously been viewed or that has been previously flagged for further viewing, the issuer event report will be displayed for review by or on behalf of the insider. If the insider's holdings of securities of the reporting issuer have been affected by an issuer event, the change in holdings must be reported.

5. Security designation

For each position or transaction being reported, provide the security designation for the applicable security or class of securities. For this purpose, select the applicable security designation from the list shown for the reporting issuer's outstanding securities.

If the applicable security designation does not appear in the list, check the "archived security designation" list containing designations of securities of the reporting issuer that are no longer outstanding and that may no longer be issued. Alternatively, check the "Insider defined security" list that will contain one or more security designations for the reporting issuer if any have been defined previously by or for the insider. In either case, if the applicable securities designation appears in the list, select it.

If the applicable security designation does not appear in any of the lists described above, the insider must define the applicable security designation. For this purpose, select the appropriate "Security category" by choosing "Debt", "Equity", "Issuer Derivative" or "Third Party Derivative" from the list provided. For purposes of the insider reporting requirement, "issuer derivative" means a derivative issued by the reporting issuer to which the insider reporting requirement relates and "third party derivative" means a derivative issued by a person or company other than the reporting issuer to which the insider reporting requirement relates. The security category selected will determine the nature of the information that is required to be reported in relation to positions or transactions involving the applicable security designation.

Next, create the "insider defined" security designation by selecting the most appropriate "Security name" from the list provided and, if applicable, use the "Additional description" field to enter any additional words used to describe the specific security or class of securities. For example, to provide the security designation of "Class A Preferred Shares, Series 1", select "Preferred Shares" from the "Security name" list and then type "Class A, Series 1" in the "Additional description" field.

Important Note: If the security or class of securities being designated is a security that has been issued by the reporting issuer, it is important to try to avoid creating an "insider defined" security designation. If a security designation has not been created by the reporting issuer in respect of a security or class of securities issued by the reporting issuer, contact the reporting issuer to request that the security designation be added to the list of security designations for the reporting issuer's outstanding securities in its issuer profile supplement. However, you must create an "insider defined" security designation if this becomes necessary to ensure that the insider report is filed on a timely basis.

Derivatives: If the security or class of securities being designated is an issuer derivative or a third party derivative, provide the security designation for the derivative and the security designation for the underlying security. See item 18 below. In addition, if the security or class of securities being designated is a third party derivative, the insider will have to provide the applicable security designation in all cases.

6. Ownership type

Indicate whether the securities in respect of which a position or transaction is being reported are (1) beneficially owned directly, (2) beneficially owned indirectly or (3) controlled or directed. Securities beneficially owned directly but held through a nominee such as a broker or book-based depository are considered direct holdings.

7. Identity of registered holder of securities where ownership is indirect or where control or direction is exercised

If beneficial ownership of the securities is indirect or if control or direction is exercised over the securities, provide the name of the registered holder of the securities. If the name of the registered holder has been previously added to the insider's profile in respect of the reporting issuer, select the name of the registered holder from the list shown. Otherwise, enter the full legal name of the registered holder in the field provided.

8. Opening balance of securities held (initial SEDI report only)

If the insider is filing an initial report in respect of securities held on becoming an insider or is reporting a change in a security or class of securities previously reported only in paper format, for each security or class of securities held directly or by a particular registered holder, disclose the initial number or amount of securities so held in the field provided for this purpose on the web page titled "File insider report – Opening balance on initial SEDI report (Non-Derivatives)", or the corresponding web page for derivatives, as applicable. For debt securities, provide the aggregate nominal value of the securities held.

If an opening balance of securities held is required to be disclosed, the information with respect to the "date of transaction" and "nature of transaction" required under items 9 and 10 below will be generated by the SEDI software application. The "date of the transaction" will be the date the insider became an insider or the date of the previous paper filing, whichever has been reported in the insider profile.

If the insider has previously filed a report in SEDI disclosing the balance of the security or class of securities held directly or by a particular registered holder, the opening balance of the security or class of securities so held is generated by the SEDI software application based on all previous reports filed in respect of the particular holding. If an initial SEDI report involves the holding of a derivative, see item 19 below.

9. Date of transaction

Provide the date of each transaction being reported using the fields provided for this purpose. Provide the "trade date" not the "settlement date".

10. Nature of transaction

Indicate the nature of each transaction being reported by selecting the most appropriate transaction type from the list provided for this purpose.

11. Number or value of securities acquired

Disclose the number or value of securities acquired for each transaction involving an acquisition of securities. For debt securities, provide the

aggregate nominal value. If the transaction involved the acquisition of an option, warrant, right or other derivative, see items 21 and 22 below.

12. Number or value of securities disposed of

Disclose the number or value of securities disposed of for each transaction involving a disposition of securities. For debt securities, provide the aggregate nominal value. If the transaction involved the disposition of an option, warrant, right or other derivative, see items 21 and 22 below.

13. Unit price or exercise price

Disclose the price per security paid or received by the insider for each transaction being reported, if applicable. Do not reduce the price being reported to reflect the amount of any commission paid. If the insider acquired or disposed of a security upon the exercise of an option, warrant, right or other derivative, report the exercise price per security. If the insider acquired or disposed of an option, warrant, right or other derivative, see item 23 below.

If the transaction involved consideration other than cash, provide the approximate fair value of the consideration in Canadian dollars and describe the consideration in the "General remarks" field. If no consideration was paid or received by the insider, check "Not applicable".

14. Currency

If the price paid or received in any transaction was in a currency other than Canadian dollars, provide the amount in that other currency and select the other currency from the list provided for this purpose.

15. Closing balance of securities held

After each new transaction being reported in respect of a security or class of securities held directly or through a particular registered holder has been entered, a new balance of the security or class of securities held directly or by the particular registered holder will be generated automatically by SEDI prior to filing. If the insider believes that the closing balance reported by SEDI is not correct, the closing balance calculated by the insider must be reported in the field provided for this purpose. The insider shall make all reasonable efforts to reconcile the balance calculated by SEDI with the balance believed by the insider to be correct. An incorrect balance may have resulted from an error in a previous insider report or from a failure to report a previous transaction.

16. General remarks

Provide additional information if necessary to provide an accurate description of each position and/or transaction in securities being reported. Information provided in this field will be accessible by the public.

17. Private remarks to securities regulatory authority

Using the field provided, the insider may disclose additional information with respect to the position or transaction being reported to staff of the securities regulatory authority. Information provided in this field will not be accessible by the public.

Holdings or Transactions Involving Derivatives

If a holding or transaction being reported by the insider involves an issuer derivative or a third party derivative, the additional information prescribed below shall be disclosed, if applicable. For this purpose, "issuer derivative" means a derivative issued by the reporting issuer to which the insider reporting requirement relates, and "third party derivative" means a derivative issued by a person or company other than the reporting issuer to which the insider reporting requirement relates.

18. Security designation of derivative and underlying security

Provide the security designation for the derivative in the manner described under item 5 above. Next, select the appropriate security category for the underlying security from the list provided and then provide the security designation for the underlying security in a similar manner to that described under item 5 above. If the security or class of securities being designated is a third party derivative, the insider will

have to define the applicable security designation in all cases. If the derivative security has been defined by the insider, the underlying security must also be defined by the insider.

19. Opening balance of derivative securities or contracts held (initial SEDI report only)

If the insider is filing an initial report disclosing an option, warrant, right or other derivative held on becoming an insider or is reporting a change in such a derivative not previously reported in SEDI format, for each such derivative position so held directly or by a particular registered holder, disclose the initial number of derivative securities or contracts held in the field provided for this purpose.

20. Opening balance of equivalent number of underlying securities (initial SEDI report only)

If the insider is filing an initial report of an option, warrant, right or other derivative held on becoming an insider or is reporting a change in any such derivative not previously reported in SEDI format, for each such derivative position held directly or by a particular registered holder, disclose the actual or notional number or amount of underlying securities that may be acquired or disposed of upon exercise or settlement of such derivative. If the underlying securities are debt securities, provide the aggregate nominal value of the actual or notional amount of underlying debt securities that may be acquired or disposed of upon exercise or settlement of such derivative.

21. Number of derivative securities or contracts acquired or disposed of

Disclose the number of derivative securities or contracts acquired for each transaction involving an acquisition of a derivative or the number of derivative securities or contracts disposed of for each transaction involving a disposition of a derivative.

22. Equivalent number of underlying securities acquired or disposed of

For each transaction involving an acquisition or disposition of a derivative, disclose the actual or notional number or amount of underlying securities that may be acquired or disposed of upon exercise or settlement of the derivative. If the underlying securities are debt securities, provide the aggregate nominal value of the equivalent amount of underlying debt securities that may be acquired or disposed of upon exercise or settlement of the derivative.

23. Unit price of derivative

Disclose the premium or other amount paid or received by the insider in connection with the acquisition or disposition of the derivative (per contract if applicable). If the premium or other amount paid or received was in a currency other than Canadian dollars, provide the amount in that other currency and select the other currency from the list provided for this purpose.

24. Conversion or exercise price of derivative

Provide the conversion or exercise price of the derivative by entering the amount in the field provided for this purpose (per underlying security if applicable). If the conversion or exercise price is in a currency other than Canadian dollars, select the relevant currency from the list provided for this purpose. If the conversion or exercise price of the derivative will adjust on one or more specified dates, provide the details of the adjustment terms in the "General remarks" field.

25. Date of expiry or maturity of derivative

If the derivative expires or matures on a given date, specify the date of expiry or maturity using the fields provided for this purpose.

Certification

Prior to filing an insider report, the insider or the insider's agent must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the insider is still responsible for ensur-

ing that the information filed by the agent is true and complete. It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

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Nova Scotia Securities Commission
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2nd Floor, West Block
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Attention: Director of Securities
Telephone: (709) 729-4189

Ontario Securities Commission
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20 Queen Street West
Toronto, ON M5H 3S8
Attention: FOI Coordinator
Telephone: (416) 593-8314

Saskatchewan Securities Commission
800-1920 Broad Street
Regina, SK S4P 3V7
Attention: Director
Telephone: (306) 787-5645

FORM 55-102F3

Issuer Profile Supplement

An issuer profile supplement filed in SEDI format shall contain the information prescribed below. The information shall be entered using the online version of this form accessible by SEDI users at the SEDI web site (www.sedi.ca). All references to web pages, fields and lists relate to the online version of the form.

1. Name of reporting issuer

Provide the name of the reporting issuer for which the issuer profile supplement is being created by searching for the reporting issuer using the reporting issuer's SEDAR number or the reporting issuer's legal name (in English or French). If the reporting issuer's name does not appear in the search results, an issuer profile must be created for the reporting issuer in SEDAR before proceeding further with any SEDI filings. See National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*.

2. Name of insider affairs contact

Provide the full legal name of an individual who will act as "insider affairs contact" for the reporting issuer. Use the "Family name" and "Given names" fields for this purpose. Use upper and lower case letters as applicable. Do not use initials, nicknames or abbreviations. SEDI will automatically deliver an e-mail message to the e-mail address provided for the insider affairs contact each time an insider profile or an amended insider profile is filed by or on behalf of a person or company disclosing an insider relationship with the reporting issuer. This is intended to assist the reporting issuer in identifying any incorrect or inappropriate SEDI filings made in respect of the reporting issuer. Insider affairs contact information is not accessible by the public.

3. Address of insider affairs contact

Provide a business address for the insider affairs contact. Indicate the country and provide the address (street name and number, etc.), the municipality (city, town, etc.), province, territory or state and postal or zip code, as applicable. A post office box or similar mailing address is not acceptable.

4. Telephone number and e-mail address of insider affairs contact

Provide a business telephone number and a business e-mail address for the insider affairs contact.

5. Fax number of insider affairs contact (if applicable)

If available, provide a business fax number for the insider affairs contact.

6. Confidential question and answer

Provide a "confidential question" and an answer to the confidential question for use in identifying the issuer's representative if a request is being made to the SEDI operator for a new issuer access key. Keep a record of the confidential question and answer in a secure location.

7. Security designations

Provide the security designation for each outstanding security and each class of outstanding securities of the reporting issuer being profiled. For each security or class of securities, select the appropriate "Security category" by choosing "Debt", "Equity" or "Issuer Derivative" from the list provided. Then provide a designation of the security or class of securities using the fields provided for this purpose, as follows. First, select the "Security name" from the list of generic security names provided. Second, if applicable, enter any additional words used to describe the specific security or class of securities. For example, to provide the

designation of "Class A Preferred Shares, Series 1", select "Preferred Shares" from the "Security name" field and then type "Class A, Series 1" in the "Additional description" field.

If the security whose designation is being added is an issuer derivative, provide the designation of the underlying security or class of underlying securities in addition to the designation of the issuer derivative itself. First, select the applicable securities category for the underlying security and then provide the designation for the underlying security using the "Security name" and "Additional description" fields in the same manner as described above.

8. Amending a security designation

If there is any change in the security designation disclosed previously for a security or class of securities of the reporting issuer that is outstanding or that may be issued in the future, use the "Amend security designation" function to amend the applicable security designation in the issuer profile supplement. Select the applicable security designation to be amended and a web page with pre-populated fields containing the existing security designation information will be displayed for purposes of making the necessary amendment(s).

Note that a security designation should only be amended for corrections or for changes that do not result in the security or class of securities ceasing to exist. If a security or class of securities ceases to exist and is replaced by another security or class of securities, the "old" security must be archived in the manner described under item 9 below and a security designation must be added for the "new" security in the manner described under item 7 above.

If the security or class of securities affected by the change is an underlying security for an issuer derivative, use the "Amend security designation" function to amend the security designation of the underlying security as well.

9. Archiving a security designation

If any security or class of securities designated previously by the reporting issuer has ceased to be outstanding and the security or class of securities may no longer be issued, use the "Archive security designation" function to remove the relevant security designation from the reporting issuer's list of "outstanding securities" and place it in the reporting issuer's list of "archived securities". Archived security designations may not be reactivated if the applicable security or class of securities is re-issued or becomes subject to the issuance. In such circumstances, a new security designation must be added to the issuer profile supplement in the manner described under item 7 above.

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Saskatchewan Securities Commission
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Attention: Director
Telephone: (306) 787-5645

FORM 55-102F4

Issuer Event Report

An issuer event report in SEDI format shall contain the information prescribed below. The information shall be entered using the online version of this form accessible by SEDI users at the SEDI web site (www.sedi.ca). All references to web pages, fields and lists relate to the online version of the form.

1. Issuer event type

Starting at the web page titled "File issuer event report – Form 55-102F4", select the "Issuer event type" that appropriately describes the issuer event from the list of transactions and other events provided for this purpose. If an appropriate issuer event type is not provided in the list, select "Other Issuer Event" and enter an appropriate generic term for the type of issuer event being reported in the "Other issuer event type" field provided for this purpose.

2. Effective date of issuer event

Disclose the effective date of the issuer event using the fields provided for this purpose.

3. Issuer event title

Provide a descriptive title for the issuer event that will distinguish the issuer event from other issuer events of the same type. For example, in the case of a merger, refer to another merging issuer, or in the case of a stock split, indicate the approximate date.

4. Issuer event details

Describe the issuer event in plain language. Provide the security designation of each security or class of securities of the issuer affected by the issuer event and explain the adjustment or other change in holdings that affected insiders of the issuer would be required to report as a result of the issuer event. If applicable, provide the ratio by which each security or class of securities affected has been or will be adjusted by the issuer event.

If the required adjustment(s) will result in a fractional number of securities when applied to the number of securities held by affected insiders, indicate whether the number of securities held by the insider shall be rounded up or down.

If the issuer event involved the creation of a new security or class of securities or the formation of a new reporting issuer, disclose this information. If applicable, amend the issuer profile supplement for the reporting issuer.

Optional Information

An issuer event report filed in SEDI format may, at the option of the reporting issuer, contain the following additional information:

5. Private remarks to securities regulatory authority

Using the field provided, the issuer may disclose additional information concerning the issuer event to staff of the securities regulatory authority. Information provided in this field will not be accessible by the public.

FORM 55-102F5**SEDI User Registration Form**

An individual who intends to use SEDI to file information with the securities regulatory authority is required to complete and submit a user registration form in SEDI format containing the information prescribed below. The information must be entered using the online version of this form accessible at the SEDI web site (www.sedi.ca). To access the online user registration form, select "Register as a SEDI user" on the navigation bar at the top of the web page titled "Welcome to SEDI".

1. Full legal name of SEDI user

Provide your family name and your given names. Use upper and lower case letters as applicable. Do not use initials, nicknames or abbreviations.

2. Name of employer and position of SEDI user

If you are acting on behalf of an employer, provide the full legal name of your employer and your position with that employer.

3. Address of SEDI user

If you are an insider, provide your principal residential address. Otherwise, provide the business address where you are employed. A post office box or other mailing address is not sufficient.

4. SEDI user's telephone number

Provide your daytime telephone number.

5. SEDI user's fax number

If available, provide your fax number.

6. SEDI user's e-mail address

If available, provide your e-mail address.

7. Check the appropriate box for SEDI user classification

Indicate whether you expect to access SEDI as an insider, an agent and/or an issuer's representative by checking the appropriate box or boxes. The type of user classification will determine the amount of functionality you will have in the SEDI application software.

8. Confidential question and answer

Provide a "confidential question" and an answer to the confidential question for use in verifying your identity if a request in your name is being made to the SEDI operator for a new password.

Certification

Prior to submitting the completed online user registration form, you must certify that the information is true in all material respects and you must agree to update the information submitted as soon as practicable following any material change in the information.

Delivery of Signed Copy to SEDI Operator

Before you may make a valid SEDI filing, you must deliver a manually signed paper copy of the completed user registration form to the SEDI operator for verification purposes. To satisfy this requirement, it is preferred that you print a copy of the online user registration form once you have certified and submitted it. You must deliver a manually signed and dated copy of the completed user registration form via prepaid mail, personal delivery or facsimile to the SEDI operator at the following address or fax number, as applicable:

CDS INC.
Attention: SEDI Administrator
85 Richmond Street West
Toronto, Ontario M5H 2C9

Facsimile: 1-866-729-8011

or, if you are resident in the province of Quebec, to the SEDI operator at the address above, or to:

CDS INC.
Attention: SEDI Administrator
600 boul. de Maisonneuve Ouest
Montreal, Quebec
H3A 3J2

or at such other address(es) or fax number(s) as may be provided on the SEDI web site (www.sedi.ca).

Questions

Questions may be directed to CDS INC. at 1-800-219-5381 or such other number as may be provided on the SEDI web site.

Notice – Collection and Use of Personal Information

The personal information that you provide on this form is used to facilitate your access to and use of the SEDI system and is not used for any other purpose. The signed copy of the completed form that you deliver to CDS INC. (the SEDI operator) is retained by CDS INC. as evidence of your registration as a SEDI user. The information you provide on this form will not be disclosed to any third party except any of the securities regulatory authorities or their authorized representatives for purposes of the administration or enforcement of securities legislation in the applicable jurisdictions. For information about the use of the information collected on this form or if you would like to obtain access to the information you have submitted, contact the CDS SEDI Administrator at the address or telephone number provided above. In Quebec, questions may also be addressed to the Commission d'accès à l'information du Québec (1-888-528-7741, web site: www.cai.gouv.qc.ca).

SEDI User Registration Form

Note: Before an individual registering as a SEDI user may make a valid SEDI filing, the registering individual must deliver a manually signed paper copy of the completed user registration form to the SEDI operator for verification purposes. It is preferred that the registering individual print a copy of the online version using the "Print" function provided for this purpose in SEDI. The signed paper copy must be delivered by prepaid mail, personal delivery or facsimile to: CDS INC., Attention: SEDI Administrator, 85 Richmond Street West, Toronto, Ontario M5H 2C9, Facsimile: 1-866-729-8011 or, if you are resident in the province of Quebec, to the SEDI operator at the address above, or to CDS INC., Attention: SEDI Administrator, 600 boul. de Maisonneuve Ouest, Montreal, Quebec, H3A 3J2.

Section 1 SEDI User Information

Family name:		Given names (in full):	
Employer name and position (if applicable):			
Address (street name and number, etc.):		Municipality (city, town, etc.):	
Province, territory or state:	Country:		Postal code or zip code:
Telephone number: ()		Fax number (if available): ()	
E-mail address (if available):			

Section 2 SEDI User Classification

Check the appropriate box or boxes:		
☐ Insider	☐ Agent	☐ Issuer representative

Section 3 Certification of SEDI User

I certify that the foregoing information is true in all material respects. I agree to update the information submitted on this form in SEDI as soon as practicable following any material change in the information. I agree that an executed copy of Form 55-102F5, if delivered to CDS INC. by facsimile, shall have the same effect as an originally executed copy delivered to CDS INC.

Signature of SEDI user	Date:
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INSIDER REPORT

Notice – Collection and Use of Personal Information: The personal information required under this form is collected on behalf of and used by the securities regulatory authorities set out below for purposes of the administration and enforcement of certain provisions of the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland. Some of the required information will be made public pursuant to the securities legislation in each of the jurisdictions indicated above. Other required information will remain confidential and will not be disclosed to any person or company except to any of the securities regulatory authorities or their authorized representatives. If you have any questions about the collection and use of this information, you may contact the securities regulatory authority in any jurisdiction(s) in which the required information is filed, at the address(es) or telephone number(s) set out on the back of this report.

BOX 4. JURISDICTION(S) WHERE THE ISSUER IS A REPORTING ISSUER OR THE EQUIVALENT

FAMILY NAME OR CORPORATE NAME									
GIVEN NAMES									
STREET									
APT									
CITY									
PROV.									
POSTAL CODE									
BUSINESS TELEPHONE NUMBER									
CHANGE IN NAME, ADDRESS OR TELEPHONE NUMBER FROM LAST REPORT									
YES									
NO									

RELATIONSHIP(S) TO REPORTING ISSUER						☐	☐	☐	☐
									☐
CHANGE IN RELATIONSHIP FROM LAST REPORT									☐ YES ☐ NO
DATE OF LAST REPORT FILED									OR
DAY	MONTH	YEAR							
IF INITIAL REPORT, DID YOU BECOME AN INSIDER									
DAY	MONTH	YEAR							

☐ ALBERTA	☐ ONTARIO
☐ BRITISH COLUMBIA	☐ QUÉBEC
☐ MANITOBA	☐ SASKATCHEWAN
☐ NEWFOUNDLAND	
☐ NOVA SCOTIA	

[illegible]

ATTACHMENT	YES	NO
1. A copy of the contract or agreement between the contractor and the owner.		
2. A copy of the schedule of values or cost breakdown.		
3. A copy of the payment schedule or terms of payment.		
4. A copy of the change order or any other document that affects the contract.		
5. A copy of the invoice or any other document that shows the amount of the claim.		
6. A copy of the correspondence between the contractor and the owner.		
7. A copy of the contract or agreement between the contractor and the subcontractor.		
8. A copy of the schedule of values or cost breakdown for the subcontractor.		
9. A copy of the payment schedule or terms of payment for the subcontractor.		
10. A copy of the change order or any other document that affects the subcontract.		
11. A copy of the invoice or any other document that shows the amount of the claim for the subcontractor.		
12. A copy of the correspondence between the contractor and the subcontractor.		

The undersigned certifies that the information given in this report is true and complete in every respect. It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

BOX 7. SIGNATURE

NAME (BLOCK LETTERS) _____ SIGNATURE _____

DAY MONTH YEAR _____ DATE OF THE REPORT _____

INSTRUCTIONS

Insider Reports in English and French are available from Manitoba, Ontario and Québec. If you are a corporate insider in the province of Québec, you will receive correspondence in French. Individuals in the province of Québec will receive, upon request, correspondence in English.

Where an insider of a reporting issuer does not own or have control or direction over securities of the reporting issuer, or where an insider's ownership or direction or control over securities of the reporting issuer remains unchanged from the last report filed, a report is not required. Insider reports are not required to be filed in New Brunswick, the Northwest Territories, Nunavut, Prince Edward Island or the Yukon.

If you have any questions about the form you should be using to file your report, see National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*.

BOX 1 Name of the reporting issuer

Provide the full legal name of the reporting issuer. Use a separate report for each reporting issuer.

BOX 2 Insider data

Indicate all of your relationship(s) to the reporting issuer using the following codes:

- | | |
|--|---|
| Reporting issuer that has acquired securities issued by itself | 1 |
| Subsidiary of the reporting issuer | 2 |
| Security holder who beneficially owns or who exercises control or direction over more than 10% of the securities of the reporting issuer (Québec <i>Securities Act</i> – 10% of a class of shares) to which are attached voting rights or an unlimited right to a share of the profits and to its assets in case of winding up | 3 |
| Director of a reporting issuer | 4 |
| Senior officer of a reporting issuer | 5 |
| Director or senior officer of a security holder referred to in 3 | 6 |
| Director or senior officer of an insider or subsidiary of the reporting issuer, other than in 4, 5 and 6 | 7 |
| Deemed insider – 6 months before becoming an insider | 8 |

If you have filed a report before, indicate whether your relationship to the reporting issuer has changed.

Specify the date of the last report you filed, and if it is an initial report, the date on which you became an insider.

BOX 3 Name, address and telephone number of the insider

Provide your name, address and business telephone number.

BOX 4 Jurisdiction

Indicate each jurisdiction where the issuer is a reporting issuer or the equivalent.

BOX 5 Insider holdings and changes

Show direct and indirect holdings separately, both in the initial report and where a transaction is reported. Indicate only one transaction per line.

For an initial report complete only:

- (A) designation of class of securities held
- (D) present balance of class of securities held
- (E) nature of ownership (see List of Codes)
- (F) identification of the registered holder where ownership is not direct

If you acquired or disposed of securities while an insider, complete sections (A) to (F):

- (A) Indicate a designation of the securities traded that is sufficient to identify the class, including yield, series, maturity.
- (B) Indicate the number of securities, or for debt securities, the aggregate nominal value, of the class held, directly and indirectly, before the transaction that is being reported.
- (C) Indicate for each transaction:
 - the date of the transaction (not the settlement date)
 - the nature of the transaction (see List of Codes)
 - the number of securities acquired or disposed of, or for debt securities, the aggregate nominal value
 - the unit price paid or received on the day of the transaction, excluding the commission
 - if the report is in United States dollars, check the space under "\$ US"

List of Codes

BOX 5 (C) Nature of transaction**General**

- | | |
|---|----|
| Acquisition or disposition in the public market | 10 |
| Acquisition or disposition carried out privately | 11 |
| Acquisition or disposition under a prospectus | 15 |
| Acquisition or disposition under a prospectus exemption | 16 |
| Acquisition or disposition pursuant to a take-over bid, merger or acquisition | 22 |
| Acquisition or disposition under a purchase/ownership plan | 30 |
| Stock dividend | 35 |
| Conversion or exchange | 36 |
| Stock split or consolidation | 37 |
| Redemption/retraction/cancellation/repurchase | 38 |
| Short sale | 40 |
| Compensation for property | 45 |
| Compensation for services | 46 |
| Acquisition or disposition by gift | 47 |
| Acquisition by inheritance or disposition by bequest | 48 |

Issuer Derivatives

- | | |
|------------------------|----|
| Grant of options | 50 |
| Exercise of options | 51 |
| Expiration of options | 52 |
| Grant of warrants | 53 |
| Exercise of warrants | 54 |
| Expiration of warrants | 55 |
| Grant of rights | 56 |
| Exercise of rights | 57 |
| Expiration of rights | 58 |

Third Party Derivatives

- | | |
|--|----|
| Acquisition or disposition (writing) of third party derivative | 70 |
| Exercise of third party derivative | 71 |
| Other settlement of third party derivative | 72 |
| Expiration of third party derivative | 73 |

Miscellaneous

- | | |
|-----------------------------------|----|
| Change in the nature of ownership | 90 |
| Other | 97 |

(D) Indicate the number of securities, or for debt securities, the aggregate nominal value, of the class held, directly and indirectly, after the transaction that is being reported.

(E) Indicate the nature of ownership, control or direction of the class of securities held using the following codes:

- | | |
|---|---|
| Direct ownership | 1 |
| Indirect ownership (identify the registered holder) | 2 |
| Control or direction (identify the registered holder) | 3 |

(F) For securities that are indirectly held, or over which control or direction is exercised, identify the registered holder.

BOX 6 Remarks

Add any explanation necessary to make the report clearly understandable.

If space provided for any item is insufficient, additional sheets may be used. Additional sheets must refer to the appropriate Box and must be properly identified and signed.

Office staff are not permitted to alter a report.

BOX 7 Signature and filing

Sign and date the report.

File one copy of the report in each jurisdiction in which the issuer is reporting within the time limits prescribed by the applicable laws of that jurisdiction.

Manually sign the report.

Legibly print or type the name of each individual signing the report.

If the report is filed on behalf of a company, partnership, trust or other entity, legibly print or type the name of that entity after the signature.

If the report is signed on behalf of an individual by an agent, there shall be filed with each jurisdiction in which the report is filed a duly completed power of attorney.

If the report is filed by facsimile in accordance with National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*, the report should be sent to the applicable securities regulatory authority at the fax number set out below.

Alberta Securities Commission
4th Floor, 300 – 5th Avenue S.W.
Calgary, AB T2P 3C4
Attention: Information Officer *
Telephone: (403) 297-6454
Fax: (403) 297-6156

British Columbia Securities Commission
PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver BC V7Y 1L2
Attention: Supervisor, Insider Reporting *
Telephone: (604) 899-6500 or
(800) 373-6393 (in BC)
Fax: (604) 899-6550

The Manitoba Securities Commission
1130 – 405 Broadway
Winnipeg, MB R3C 3L6
Attention: Continuous Disclosure *
Telephone: (204) 945-2548
Fax: (204) 945-4508

Securities Commission of Newfoundland
P.O. Box 8700, 2nd Floor West Block
Confederation Building
St. John's, NF A1B 4J6
Attention: Director of Securities *
Telephone: (709) 729-4189
Fax: (709) 729-6187

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building
1690 Hollis Street, P.O. Box 458
Halifax, NS B3J 3J9
Attention: FOI Officer *
Telephone: (902) 424-7768
Fax: (902) 424-4625

Ontario Securities Commission
Suite 1903, Box 55, 20 Queen Street West
Toronto, ON M5H 3S8
Attention: FOI Coordinator *
Telephone: (416) 593-8314
Fax: (416) 593-3666

Commission des valeurs mobilières du Québec **
Stock Exchange Tower
P.O. Box 246, 22nd Floor
800 Victoria Square
Montreal, PQ H4Z 1G3
Attention: Responsable de l'accès à l'information *
Telephone: (514) 940-2150 or
(800) 361-5072 (in Québec)
Fax: (514) 873-3120

Saskatchewan Securities Commission
800 – 1920 Broad Street
Regina, SK S4P 3V7
Attention: Director *
Telephone: (306) 787-5645
Fax: (306) 787-5899

* For questions about the collection and use of personal information.

** In Québec questions about the collection and use of personal information may also be addressed to the Commission d'accès à l'information du Québec (1-888-528-7741).

**COMPANION POLICY 55-102CP
TO NATIONAL INSTRUMENT 55-102
SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS
(SEDI)**

PART 1 – PUBLIC AVAILABILITY OF SEDI INFORMATION

1.1 The securities legislation of several provinces requires, in effect, that information filed with the securities regulatory authority or, where applicable, the regulator under such securities legislation, be made available for public inspection during normal business hours except for information that the securities regulatory authority or, where applicable, the regulator,

- (a) believes to be personal or other information of such a nature that the desirability of avoiding disclosure thereof in the interest of any affected individual outweighs the desirability of adhering to the principle that information filed with the securities regulatory authority or the regulator, as applicable, be available to the public for inspection, or
- (b) in Alberta, considers that it would not be prejudicial to the public interest to hold the information in confidence, or
- (c) in Quebec, considers that access to the information could be prejudicial for the affected persons.

Based on the above mentioned provisions of the securities legislation, the securities regulatory authority or the regulator, as applicable, has determined that the information listed in Schedule A to this Companion Policy discloses personal or other information or such a nature that the desirability of avoiding disclosure of this personal or other information in the interests of the affected persons outweighs the desirability of making the information available to the public for inspection. In addition, in Alberta, the securities regulatory authority and the regulator consider that it would not be prejudicial to the public interest to hold the information listed in Schedule A to this Companion Policy in confidence and in Quebec, the securities regulatory authority considers that access to the information by the public in general could be prejudicial for the affected persons. Accordingly, the information listed in Schedule A to this Companion Policy will not be made publicly available.

1.2 The securities regulatory authority or the regulator, as applicable, has further determined that, in the case of information filed in SEDI format other than information listed in Schedule A to this Companion Policy, the requirement that this information be made available for public inspection will be satisfied by making the information available on the SEDI web site.

PART 2 – PRODUCTION OF SEDI FILINGS

2.1 The securities legislation of several provinces contains a requirement to produce or make available an original or certified copy of information filed under the securities legislation. The securities regulatory authority or the regulator, as applicable, considers that it may satisfy such a requirement in the case of information filed in SEDI format by providing a printed copy or other output of the information in readable form that contains or is accompanied by a certification by the regulator that the printed copy or output is a copy of the information filed in SEDI format.

PART 3 – JURISDICTION OF FILING

3.1 The SEDI software application located at the SEDI web site does not provide a SEDI user with the functionality to select the jurisdiction(s) in which a SEDI filing is being submitted for filing. However, the securities regulatory authority takes the view that the submission of information in SEDI format in accordance with the National Instrument constitutes the filing of that information under securities legislation if the information is required to be filed under the securities legislation.

PART 4 – DATE OF FILING AND CONDITIONAL FILING

4.1 Subject to section 4.2, the securities regulatory authority takes the

view that information filed in SEDI format is, for purposes of securities legislation, filed on the day that the transmission of the information to the SEDI server is completed. Following receipt by SEDI of information filed in SEDI format, SEDI will provide the SEDI user with the ability to print a copy of the filed information showing the date and time of receipt by SEDI.

4.2 Subsection 2.5(1) of the National Instrument provides that an individual who is a SEDI filer, a filing agent, or an authorized representative of a SEDI filer or filing agent, may use SEDI for the purpose of making SEDI filings. Subsection 2.5(2) of the National Instrument provides that, before using SEDI to make a SEDI filing, such an individual must register as a SEDI user by completing and submitting an online user registration form and delivering a manually signed paper copy of the completed user registration form to the SEDI operator, for verification. Since registration requires delivery of a signed paper copy of the completed user registration form to the SEDI operator for verification, the securities regulatory authority takes the view that a SEDI filing made by an individual who has not completed registration as a SEDI user in accordance with subsection 2.5(2) of the National Instrument is not a valid filing for purposes of securities legislation until such time as the individual making the SEDI filing has completed the registration process.

Despite the requirement to complete the user registration process before using SEDI to make filings, SEDI has been designed to permit an individual who has submitted the online user registration form to proceed to prepare and submit an insider profile as well as insider reports prior to the delivery and verification of the signed paper copy of the registration form. However, SEDI will assign a conditional status to any insider profiles or insider reports filed by an individual who has not completed the registration process. Consistent with the provisions of the National Instrument discussed above, SEDI filings that are conditional are not considered valid filings and are not made publicly accessible. If and when the individual making a conditional SEDI filing completes the registration process, any conditional SEDI filings will automatically cease to be conditional filings and will be made publicly accessible.

It is anticipated that signed paper copies of the registration form that are delivered to the SEDI operator for verification will be processed promptly upon receipt by the SEDI operator. If there is a problem with the verification process, the SEDI operator will attempt to resolve the problem by trying to contact the registering individual or using other appropriate means, which may involve referring the problem to the securities regulatory authority. It is preferred that registering individuals sign a computer printout of the online registration form for purposes of satisfying the requirement to deliver a signed paper copy of the form to the SEDI operator for verification.

PART 5 – OFFICIAL COPY OF SEDI FILINGS

5.1 For purposes of securities legislation, securities directions or any other related purpose, the securities regulatory authority takes the view that the official record of any information filed in SEDI format by a SEDI filer is the electronic information stored in SEDI.

PART 6 – COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION

6.1 The *Personal Information Protection and Electronic Documents Act* (Canada) (the “Federal Privacy Act”) requires an organization that is collecting, using or disclosing personal information to obtain the individual’s consent in most circumstances. While certain information filed in SEDI is personal information within the meaning of the Federal Privacy Act, the Act provides an exemption from the consent requirement in respect of personal information that is, by law, collected and placed in a public registry if the collection, use and disclosure relates directly to the purposes for which the personal information appears in the public registry. This exemption is based on the recognition that often there are legitimate primary purposes for which the personal information is collected, used or disclosed and, therefore, as long as the information is collected, used or disclosed for the primary purposes, no consent is required.

In Quebec, the *Act Respecting Access to Documents Held by Public Bodies and the Protection of Personal Information*, R.S.Q. c. A-2.1 (the "Public Sector Act") and the *Act Respecting the Protection of Personal Information in the Private Sector*, R.S.Q. c. P-39.1 (the "Private Sector Act") are both applicable to information filed in SEDI. Under the Public Sector Act, personal information which, by law, is public is not considered to be nominative (or personal) and, therefore, is not confidential. The Private Sector Act, which applies to persons engaged in carrying on an enterprise (excluding a public body within the meaning of the Public Sector Act and any person that holds information on behalf of the public body), requires an individual's consent to the use or disclosure of personal information concerning the individual in most circumstances. Further, this consent must be manifest, free and enlightened, and must be given for specific purposes. However, Bill 122, which will amend the Private Sector Act and which was introduced in the Quebec legislature on May 11, 2000, will harmonize the Private Sector Act with the Public Sector Act. Bill 122 provides that personal information which, by law, is public is not confidential. Consequently, if the Quebec legislature adopts Bill 122, the use and communication of publicly available information filed in SEDI will not be subject to the consent requirement in the Private Sector Act.

6.2 For purposes of determining the scope of the exemption from the consent requirement in the Federal Privacy Act discussed in section 6.1, the securities regulatory authority takes the view that the primary purposes for the collection, use and disclosure of personal information relating to insiders of reporting issuers and their security holdings in these issuers include the following:

- (a) protecting the investing public against unfair, improper or fraudulent use of material undisclosed information relating to publicly traded issuers;
- (b) enhancing the ability of investors to make well-informed investment decisions;
- (c) promoting efficiency in the capital markets;
- (d) promoting fair, honest and responsible market practices by market participants; and
- (e) promoting confidence in the transparent operation of the capital markets in Canada.

SCHEDULE A TO COMPANION POLICY 55-102CP SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)

Form 55-102F1 Insider Profile

The following information filed in Form 55-102F1 Insider Profile will not be made available for public inspection:

- 1. Name of insider representative (if applicable) (item 2)
- 2. Insider's address including postal code but excluding municipality (city, town, etc.), province, territory, state and/or country (item 3)
- 3. Insider's telephone number (item 4)
- 4. Insider's fax number (if applicable) (item 5)
- 5. Insider's e-mail address (if applicable) (item 6)
- 6. Correspondence in English or French (item 7)
- 7. Confidential question and answer (item 8)
- 8. Additional contact information (item 13)

Form 55-102F2 Insider Report

The following information filed in Form 55-102F2 Insider Report will not be made available for public inspection:

- 1. Private remarks to securities regulatory authority (item 17)

Form 55-102F3 Issuer Profile Supplement

The following information filed in Form 55-102F3 Issuer Profile Supplement will not be made available for public inspection:

- 1. Name of insider affairs contact (item 2)
- 2. Address of insider affairs contact (item 3)
- 3. Telephone number and e-mail address of insider affairs contact (item 4)
- 4. Fax number of insider affairs contact (if applicable) (item 5)
- 5. Confidential question and answer (item 6)

Form 55-102F4 Issuer Event Report

The following information filed in Form 55-102F4 Issuer Event Report will not be made available for public inspection:

- 1. Private remarks to securities regulatory authority (item 6)

Form 55-102F5 SEDI User Registration Form

None of the information submitted in Form 55-102F5 SEDI User Registration Form will be made available for public inspection.

(6519) 44

Applications to Provincial Parliament — Private Bills Demandes au Parlement provincial — Projets de loi d'intérêt privé

PUBLIC NOTICE

The rules of procedure and the fees and costs related to applications for Private Bills are set out in the Standing Orders of the Legislative Assembly. Copies of the Standing Orders, and the guide "Procedures for Applying for Private Legislation", may be obtained from the Legislative Assembly's Internet site at <http://www.ontla.on.ca> or from:

Committees Branch
Room 1405, Whitney Block, Queen's Park
Toronto, Ontario M7A 1A2

Telephone: 416/325-3500 (Collect calls will be accepted.)

Applicants should note that consideration of applications for Private Bills that are received after the first day of September in any calendar year may be postponed until the first regular Session in the next following calendar year.

(8699) T.F.N. CLAUDE L. DESROSIERS,
Clerk of the Legislative Assembly.

Applications to Provincial Parliament Demandes au Parlement provincial

AJAX PICKERING TRANSIT AUTHORITY

NOTICE IS HEREBY GIVEN that, on behalf of the Ajax Pickering Transit Authority, Town of Ajax and the City of Pickering, application will be made to the Legislative Assembly of the Province of Ontario for an Act

establishing the Ajax Pickering Transit Authority as a body corporate, and investing in the Ajax Pickering Transit Authority the rights and responsibilities of a corporation, including the right to own real property, and generally govern its affairs. The corporation's powers and operations shall be governed by the terms and conditions of the merger agreement between the Town of Ajax and the City of Pickering (described below), and the general purpose of the Ajax Pickering Transit Authority shall be to operate a transit system across Ajax and Pickering. The application shall also request the Legislative Assembly to permit the transfer of real property and other assets from Ajax and Pickering to the Ajax Pickering Transit Authority, without any taxes or licence fees being payable.

Currently, the Ajax Pickering Transit Authority is a joint Board of Management incorporating representatives from both municipalities, but the Ajax Pickering Transit Authority does not have the powers of a corporation. This joint Board of Management was established by the Town of Ajax and the City of Pickering on September 4th, 2001 by way of a merger agreement made pursuant to the *Municipal Act*. Any individual wishing to receive a copy of the merger agreement may contact any of the undersigned to make arrangements to view a copy of the agreement.

The application will be considered by the Standing Committee on Regulations and Private Bills. Any person who has an interest in the application and who wishes to make submissions for or against the application to the Standing Committee on Regulations and Private Bills should notify, in writing, the Clerk of the Legislative Assembly, Legislative Building, Queen's Park, Toronto, Ontario, M7A 1A2.

Dated at Ajax and Pickering this 4th day of October, 2001.

TED GALINIS,
General Manager,
Ajax Pickering Transit Authority,

MARTIN DE ROND,
Clerk, Town of Ajax

BRUCE TAYLOR,
Clerk, City of Pickering

(3733) 41 to 44

GROVES MEMORIAL COMMUNITY HOSPITAL

NOTICE IS HEREBY GIVEN that on behalf of the Corporation of the Township of Centre Wellington and the Groves Memorial Community Hospital Commission application will be made to the Legislative Assembly of the Province of Ontario for an Act called "An Act Respecting Groves Memorial Community Hospital", which provides for, amongst other things:

- The incorporation of the Groves Memorial Community Hospital as a corporation without share capital under the name "Groves Memorial Community Hospital";
- The establishment of the board of directors, objects and powers of the Groves Memorial Community Hospital;
- The transfer of all of the property held absolutely and/or in trust for the Groves Memorial Community Hospital by the Corporation of the Township of Centre Wellington (excluding the "Designated Lands" on which the Hospital is located, as described in the Act) to the Groves Memorial Community Hospital;
- The revised composition of the board of directors in the event the Corporation of the Township of Centre Wellington is "restructured", as defined in the Act; and
- The repeal of certain Acts governing the Groves Memorial Community Hospital.

The application will be considered by the Standing Committee on Regulations and Private Bills. Any person who has an interest in the application and who wishes to make submissions, for or against the application, to the Standing Committee on Regulations and Private Bills should notify, in writing, the Clerk of the Legislative Assembly, Legislative Building, Queen's Park, Toronto, Ontario, M7A 1A2.

Dated at the City of Toronto, this 17th day of October, 2001.

CAVAN B. ACHESON,
Solicitor for:
The Corporation of the Township
of Centre Wellington
KEARNS, MCKINNON
Barristers and Solicitors
265 Bridge Street
Fergus, Ontario
N1M 2W7

KATHY O'BRIEN,
Solicitor for:
Groves Memorial Community Hospital
Commission
CASSELS BROCK & BLACKWELL LLP
Barristers and Solicitors
40 King Street West, Suite 2100
Toronto, Ontario
M5H 3C2

(3753) 43 to 46

Notice To Creditors Avis aux créanciers

ESTATE OF GEORGE WILSON

All claims against the Estate of GEORGE WILSON late of the City of Toronto, Municipality of Metropolitan Toronto, who died on September 16, 2001, must be filed with the undersigned on or before November 27, 2001, thereafter the estate will be distributed having regard only to the claims then filed.

Dated at Toronto this 16th day of October, 2001.

STEVEN J. VANO
Solicitor
528 St. Clair Avenue West
Toronto, Ontario
M6C 1A2

(3742) 43 to 45

Sheriff's Sales of Lands Ventes de terrains par le shérif

UNDER AND BY VIRTUE OF a Writ of Seizure and Sale issued out of the Ontario Court of Appeal or the Superior Court of Justice at London, Ontario, dated November 5, 2000, Court File Number 23600/00, to me directed, against the real and personal property of Milijanko Bojic o/a DBM Trading International Company and Divna Bojic, Defendant(s), at the suit of Royal Bank of Canada, Plaintiff(s), I have seized and taken in execution all the right, title, interest and equity of redemption of Milijanko Bojic o/a DBM Trading International Company and Divna Bojic, Defendant(s) in and to:

Lot 66, Plan 33M-327, 10 Alomar Drive, City of London, County of Middlesex.

All of which said right, title, interest and equity of redemption of Milijanko Bojic o/a DBM Trading International Company and Divna Bojic, Defendant(s), in the said lands and tenements described above, I shall offer for sale by Public Auction subject to the conditions set out below, at Sheriff's Office, 80 Dundas Street, Ground Floor, London, Ontario, on Thursday, December 6, 2001 at 1:00 p.m.

CONDITIONS:

The purchaser to assume responsibility for all mortgages, charges, liens, outstanding taxes, and other encumbrances. No representation is made regarding the title of the land or any other matter relating to the interest to be sold. Responsibility for ascertaining these matters rests with the potential purchaser(s).

TERMS: Deposit 10% of bid price or \$1,000.00 whichever is greater
 - Payable at time of sale by successful bidder
 - To be applied to purchase price
 - Non-refundable
 Ten business days from date of sale to arrange financing and pay balance in full at Sheriff's Office, 80 Dundas Street, Ground Floor, London, Ontario
 All payments in cash or by certified cheque made payable to the Minister of Finance
 Deed Poll provided by Sheriff only upon satisfactory payment in full of purchase price
 Other conditions as announced

This sale is subject to cancellation by the Sheriff without further notice up to the time of sale.

NOTE: No employee of The Ministry of the Attorney General may purchase any goods or chattels, lands or tenements exposed for sale by a Sheriff under legal process, either directly or indirectly.

Dated this 23rd day of October, 2001.

(3754) 44
 RON MARKS
 Manager of Court Operations
 80 Dundas St., Ground Floor,
 London, Ontario

UNDER AND BY VIRTUE OF a Writ of Seizure and Sale issued out of the Superior Court of Justice at 161 Elgin St., Ottawa, dated August 4, 2000, Sheriff's file #00-1845, to me directed, against the real and personal property of PIERRE HENRI BOURQUE Defendant(s), at the suit of 910270 ONTARIO INC, Plaintiff(s), I have seized and taken in execution all the right, title, interest and equity of redemption of PIERRE HENRI BOURQUE, Defendant(s) in and to:

Parcel A8-2, Sec. 4M-22, Pt. Blk. A8, Pl. 4M-22, Commencing at a point in the Sly. limit of Coltrin Rd. as shown on said Plan distant 40 ft. measured wly. along said sly. limit from the N. wly. angle of Blk. A9 as shown on said Plan, thence wly. & along said sly. limit of said Coltrin Rd. a distance of 100 ft. thence sly. on a line parallel with the wly. limit of said blk. A9, 145 ft. thence ely. on a line parallel with the said sly. limit of said Coltrin Rd. 100 ft. to a point, thence nly. in a straight line parallel with the wly. limit of said blk. A9, 145 ft. to the place of beginning: Rockcliffe Park; S/T and known municipally as 262 Coltrin Rd., Ottawa.

All of which said right, title, interest and equity of redemption of PIERRE HENRI BOURQUE Defendant(s), in the said lands and tenements described above, I shall offer for sale by Public Auction subject to the conditions set out below, at Sheriff's Office, 2nd Flr., 161 Elgin St., Ottawa, on Friday, December 7, 2001 at 10:00 a.m.

CONDITIONS:

The purchaser to assume responsibility for all mortgages, charges, liens, outstanding taxes, and other encumbrances. No representation is made regarding the title of the land or any other matter relating to the interest to be sold. Responsibility for ascertaining these matters rests with the potential purchaser(s).

TERMS: Deposit 10% of bid price or \$1,000.00 whichever is greater
 - Payable at time of sale by successful bidder
 - To be applied to purchase price
 - Non-refundable
 Ten business days from date of sale to arrange financing and pay balance in full at Sheriff's Office, 2nd Flr., 161 Elgin St., Ottawa, Ontario
 All payments in cash or by certified cheque made payable to the Minister of Finance
 Deed Poll provided by Sheriff only upon satisfactory payment in full of purchase price
 Other conditions as announced

This sale is subject to cancellation by the Sheriff without further notice up to the time of sale.

NOTE: No employee of The Ministry of the Attorney General may

purchase, any goods or chattels, lands or tenements exposed for sale by a Sheriff under legal process either directly or indirectly.

Dated this 12th day of October, 2001.

(3755) 44
 GENEVIEVE BLAIS
 Sheriff – City of Ottawa
 161 Elgin St., Ottawa

UNDER AND BY VIRTUE OF a Writ of Seizure and Sale issued out of the Superior Court of Justice at 161 Elgin St., Ottawa dated August 4, 2000, Sheriff's file #00-1845, to me directed, against the real and personal property of ELWIRA SOKOLOWSKA Defendant(s), at the suit of NOTRE DAME CEMETERY, Plaintiff(s), I have seized and taken in execution all the right, title, interest and equity of redemption of ELWIRA SOKOLOWSKA, Defendant(s) in and to:

Parcel 52-3, Section 4M-102, Part of Lots 52 and 53, Plan 4M-102 and known municipally as 2413 Walkley Rd., Ottawa.

All of which said right, title, interest and equity of redemption of ELWIRA SOKOLOWSKA Defendant(s), in the said lands and tenements described above, I shall offer for sale by Public Auction subject to the conditions set out below at, Sheriff's Office, 2nd Flr., 161 Elgin St., Ottawa, on Friday December 7, 2001 at 10:00 a.m.

CONDITIONS:

The purchaser to assume responsibility for all mortgages, charges, liens, outstanding taxes, and other encumbrances. No representation is made regarding the title of the land or any other matter relating to the interest to be sold. Responsibility for ascertaining these matters rests with the potential purchaser(s).

TERMS: Deposit 10% of bid price or \$1,000.00 whichever is greater
 - Payable at time of sale by successful bidder
 - To be applied to purchase price
 - Non-refundable
 Ten business days from date of sale to arrange financing and pay balance in full at Sheriff's Office, 2nd floor, 161 Elgin St., Ottawa, Ontario
 All payments in cash or by certified cheque made payable to the Minister of Finance
 Deed Poll provided by Sheriff only upon satisfactory payment in full of purchase price
 Other conditions as announced

This sale is subject to cancellation by the Sheriff without further notice up to the time of sale.

NOTE: No employee of The Ministry of the Attorney General may purchase, any goods or chattels, lands or tenements exposed for sale by a Sheriff under legal process either directly or indirectly.

Dated this 12th day of October, 2001.

(3756) 44
 GENEVIEVE BLAIS
 Sheriff – City of Ottawa
 161 Elgin St., Ottawa

UNDER AND BY VIRTUE OF Writs of Seizure and Sale issued out of the Ontario Superior Court of Justice both dated August 15, 2000 Court File Number 72437/96 and Court File Number 72437A/96 to me directed, against the real and personal property of GORDON FAT ENG and MARGARET ANN ENG, Defendants at the suit of WOOD LUMBER CO. (ONTARIO) LTD., Plaintiff, The Enforcement Office of the Superior Court of Justice located at 605 Rossland Road East, Whitby, Ontario has seized and taken in execution all the right, title, interest and equity of redemption of GORDON FAT ENG and MARGARET ANN ENG, Defendants in and to:

Part of Lot 6, Concession 6, Town of Uxbridge (Formerly Scott) in the Regional Municipality of Durham, municipally known as R.R.#1, Uxbridge, Ontario L9P 1R1 and more particularly described in instrument No. D444893.

All of which said right, title, interest and equity of redemption of GORDON FAT ENG and MARGARET ANN ENG, Defendants, in the said lands and tenements described above, I shall offer for sale by Public Auction subject to the conditions set out below, at the Superior Court of Justice, Courtroom 1, 605 Rossland Road East, Whitby, Ontario L1N 9G7 on Wednesday, December 5, 2001 at 5:30 p.m.

CONDITIONS:

The purchaser to assume responsibility for all mortgages, charges, liens, outstanding taxes, and other encumbrances. No representation is made regarding the title of the land or any other matter relating to the interest to be sold. Responsibility for ascertaining these matters rests with the potential purchaser(s).

TERMS: Deposit 10% of bid price or \$1,000.00 whichever is greater

- Payable at time of sale by successful bidder

- To be applied to purchase price

- Non-refundable

Ten business days from date of sale to arrange financing and pay balance in full at 605 Rossland Road East, Whitby, Ontario L1N 9G7

All payments in cash or by certified cheque made payable to the Minister of Finance

Deed Poll provided by Sheriff only upon satisfactory payment in full of purchase price

Other conditions as announced

This sale is subject to cancellation by the Sheriff without further notice up to the time of sale.

NOTE: No employee of The Ministry of the Attorney General may purchase any goods or chattels, lands or tenements exposed for sale by a Sheriff under legal process, either directly or indirectly.

Dated this 12th day of October, 2001.

ANDREW McNABB
Court Enforcement Officer
605 Rossland Rd. East
Whitby, Ontario L1N 9G7

(3757) 44

Sales of Lands for Tax Arrears by Public Tender Ventes de terrains par appel d'offres pour arriéré d'impôt

MUNICIPAL TAX SALES ACT
R.S.O. 1990, c. M.60, s. 9 (2) (d), R.R.O. 1990, Reg. 824

THE CORPORATION OF THE TOWNSHIP OF SCHREIBER

TAKE NOTICE that tenders are invited for the purchase of the land(s) described below and will be received until 3:00 p.m. local time on Monday, December 3, 2001, at the Township of Schreiber.

The tenders will then be opened in public on the same day at 3:30 p.m.

Description of Land(s)	Minimum Tender Amount
Surface Rights Only, Parcel 12298, Thunder Bay Freehold Lot 29, Plan M-135, Township of Schreiber, District of Thunder Bay, (100 Mountainside Drive)	\$4,800.00

Tenders must be submitted in the prescribed form and must be accompanied by a deposit in the form of a money order or of a bank draft or cheque certified by a bank, trust corporation or Province of Ontario Savings Office payable to the municipality or board and representing at least 20 per cent of the tender amount.

The municipality makes no representation regarding the title to or any

other matters relating to the land to be sold. Responsibility for ascertaining these matters rests with the potential purchasers.

This sale is governed by the *Municipal Tax Sales Act* and the Municipal Tax Sales Rules made under that Act. The successful purchaser will be required to pay the amount tendered plus accumulated taxes and the relevant land transfer tax.

For further information regarding this sale and a copy of the prescribed form of tender, contact:

DAWN HALCROW
Clerk-Treasurer/Administrator
Township of Schreiber
608 Winnipeg Street
Box 40
Schreiber, ON, P0T 2S0
Phone #807-824-2711
Fax #807-824-3231

(3756) 44

MUNICIPAL TAX SALES ACT

THE CORPORATION OF THE MUNICIPALITY OF TRENT HILLS

TAKE NOTICE that tenders are invited for the purchase of the lands described below and will be received until 3:00 p.m. local time on November 29, 2001, at the Municipal Office, 66 Front Street South, Campbellford.

The tenders will then be opened in public on the same day at the Municipal Office, Campbellford.

Description of Land(s)	Minimum Tender Amount
1. Roll 229-040-13447 Concession 8, Part Lot 4, designated as Part Lot 4, RD Plan 104, formerly the Township of Percy	\$708.74
2. Roll 229-040-11003 Concession 10, Part Lot 6, designated as Part 5 on RD Plan 24, formerly the Township of Percy	\$1,336.00
3. Roll 229-040-13357 Concession 8, Part Lot 3, designated as Part 155 on RD Plan 104, formerly the Township of Percy	\$762.33
4. Roll 134-080-19010 Concession 2, Part of Lot 4, being designated as RP38R3574 Part 2, formerly the Municipality of Campbellford/ Seymour	\$18,336.56
5. Roll 134-080-18819 Concession 3, Part Lot 5, Plan 56, Lot 19, formerly the Municipality of Campbellford/Seymour	\$3,129.52
6. Roll 134-060-12908 Concession 11, Part of Lot 22, Plan 53, Lot 8, formerly the Municipality of Campbellford/ Seymour	\$9,359.64
7. Roll 134-050-18771 Concession 1, Part Lot 22, Plan 5, Part 2, formerly the Municipality of Campbellford/ Seymour	\$1,529.64

Tenders must be submitted in the prescribed form and must be accompanied by a deposit in the form of a money order or bank draft or cheque certified by a bank, trust corporation or Province of Ontario Savings Office payable to the municipality and representing at least 20 per cent of the tender amount.

The municipality makes no representation regarding the title to or any other matters relating to the land to be sold. Responsibility for ascertaining these matters rests with the potential purchasers.

This sale is governed by the *Municipal Tax Sales Act* being chapter M.60 of the Revised Statutes of Ontario 1990 and the Municipal Tax Sales Rules made under that Act. The successful purchaser will be required to pay the amount tendered plus accumulated taxes and the relevant land transfer tax.

For further information regarding this sale and a copy of the prescribed form of tender, contact:

JANICE CAMPBELL,
Tax Collector
JEFF BUSH,
Treasurer
DEAN FINDLAY,
Building Inspector
The Corporation of the
Municipality of Trent Hills
PO Box 1030
Campbellford, ON, K0L 1L0
Phone: 705-653-1900
Fax: 705-653-5203

(3759) 44

**Sales of Land for Tax Arrears
by Public Auction
Ventes de terrains aux enchères
publiques pour arriéré d'impôt**

MUNICIPAL TAX SALES ACT

**THE CORPORATION OF THE MUNICIPALITY OF
WEST ELGIN**

TAKE NOTICE that the land(s) described below will be offered for sale by public auction at 1:00 in the afternoon, local time on the 7th day of December, 2001, at the municipal offices of The Corporation of the Municipality of West Elgin at 22413 Hoskins Line, Rodney, Ontario.

Description of Land(s)

Minimum
Bid \$

Part of Lots 27 and 28, Block C, Plan 100,
Municipality of West Elgin (formerly Village
of West Lorne), County of Elgin, as described in
Instrument No. 3218 and 1187 and lastly described
in Instrument No. 237768, being 237768. Parcel
has approximate frontage of Thirty-Three (33')
Feet and approximate depth of One Hundred and
Thirty-Eight (138') Feet, parcel irregular. \$11,500.00

All amounts payable by the successful purchaser shall be payable in full at the time of the sale by cash or money order or by a bank draft or cheque certified by a bank, trust corporation or Province of Ontario Savings Office.

The municipality makes no representation regarding the title to or any other matters relating to the land to be sold. Responsibility for ascertaining these matters rests with the potential purchasers.

This sale is governed by the *Municipal Tax Sales Act*, being chapter M.60 of the Revised Statutes of Ontario, 1990 and the *Municipal Tax Sales Rules*. The successful purchaser will be required to pay the amount bid plus accumulated taxes and the relevant land transfer tax.

For further information regarding this sale, contact:

JOANNE GROCH,
The Corporation of the
Municipality of West Elgin,
22413 Hoskins Line,
Rodney, Ontario, N0L 2C0,
telephone (519) 785-0560

(3758) 44

Publications under the Regulations Act Publications en vertu de la Loi sur les règlements

2001—11—03

ONTARIO REGULATION 392/01

made under the

ONTARIO COLLEGE OF TEACHERS ACT, 1996

Made: September 18, 2001

Approved: October 3, 2001

Filed: October 15, 2001

Amending O. Reg. 72/97

(General)

Note: Ontario Regulation 72/97 has not previously been amended.

1. Ontario Regulation 72/97 is amended by adding the following section:

ROSTER OF ELIGIBLE PANELISTS

20.1 The appointment of a person by the Lieutenant Governor in Council under subsection 17 (4) of the Act to a roster of eligible panelists for a Committee mentioned in paragraph 2, 3, 4 or 5 of subsection 15 (1) of the Act is for the term specified in the appointment.

2. Section 21 of the Regulation is revoked and the following substituted:

21. (1) A complaint to be considered and investigated by the Investigation Committee under section 26 of the Act shall be considered and investigated by a panel of the Committee selected for the purpose in accordance with section 17 of the Act by the chair of the Committee.

(2) The chair of the Committee shall appoint as the chair of the panel a member of the panel who is a member of the Committee.

(3) If a panelist's term of appointment to the Committee or to the roster of eligible panelists for the Committee ends before the consideration and investigation of the complaint is completed or the panel's decision is given, the panelist's term is deemed to continue for the purpose of participation in the decision.

(4) A panel may exercise all the powers and carry out all the duties of the Committee with respect to the complaint before the panel.

3. Section 22 of the Regulation is revoked and the following substituted:

22. (1) A hearing on matters directed or referred to the Discipline Committee under section 26, 29 or 33 of the Act shall be conducted by a panel of the Committee selected for the purpose in accordance with section 17 of the Act by the chair of the Committee.

(2) The chair of the Committee shall appoint as the chair of the panel a member of the panel who is a member of the Committee.

(3) If a panelist's term of appointment to the Committee or to the roster of eligible panelists for the Committee ends before the hearing is completed or the panel's decision is given, the panelist's term is deemed to continue for the purpose of participation in the decision.

(4) A panel may exercise all the powers and carry out all the duties of the Committee with respect to the matter before the panel.

4. Section 24 of the Regulation is revoked and the following substituted:

24. (1) A request for review under section 21 of the Act or an application for variation under section 22 of the Act shall be decided by a panel of the Registration Appeals Committee selected for the purpose in accordance with section 17 of the Act by the chair of the Committee.

(2) The chair of the Committee shall appoint as the chair of the panel a member of the panel who is a member of the Committee.

(3) If a panelist's term of appointment to the Committee or to the roster of eligible panelists for the Committee ends before the proceeding is completed or the panel's decision is given, the panelist's term is deemed to continue for the purpose of participation in the decision.

(4) A panel may exercise all the powers and carry out all the duties of the Committee with respect to the matter before the panel.

5. Section 25 of the Regulation is revoked and the following substituted:

25. (1) A hearing on matters directed or referred to the Fitness to Practise Committee under section 26, 29 or 33 of the Act shall be conducted by a panel of the Committee selected for the purpose in accordance with section 17 of the Act by the chair of the Committee.

(2) The chair of the Committee shall appoint as the chair of the panel a member of the panel who is a member of the Committee.

(3) If a panelist's term of appointment to the Committee or to the roster of eligible panelists for the Committee ends before the hearing is completed or the panel's decision is given, the panelist's term is deemed to continue for the purpose of participation in the decision.

(4) A panel may exercise all the powers and carry out all the duties of the Committee with respect to the matter before the panel.

6. (1) Paragraph 7 of section 26 of the Regulation is revoked and the following substituted:

7. The Elementary Teachers' Federation of Ontario.

(2) Paragraph 9 of section 26 of the Regulation is revoked.

COUNCIL OF THE ONTARIO COLLEGE OF TEACHERS:

LARRY M. CAPSTICK
Chair

J. W. ATKINSON
Registrar

Dated on September 18, 2001.

RÈGLEMENT DE L'ONTARIO 392/01

pris en application de la

**LOI DE 1996 SUR L'ORDRE DES ENSEIGNANTES
ET DES ENSEIGNANTS DE L'ONTARIO**

pris le 18 septembre 2001
approuvé le 3 octobre 2001
déposé le 15 octobre 2001

modifiant le Règl. de l'Ont. 72/97
(Dispositions générales)

Remarque : Le Règlement de l'Ontario 72/97 n'a pas été modifié antérieurement.

1. Le Règlement de l'Ontario 72/97 est modifié par adjonction de l'article suivant :**TABLEAU DE MEMBRES SUPPLÉANTS**

20.1 La durée du mandat des personnes inscrites à un tableau de membres suppléants d'un comité mentionné à la disposition 2, 3, 4 ou 5 du paragraphe 15 (1) de la Loi par le lieutenant-gouverneur en conseil aux termes du paragraphe 17 (4) de la Loi est précisée dans l'acte de nomination.

2. L'article 21 du Règlement est abrogé et remplacé par ce qui suit :

21. (1) Toute plainte que le comité d'enquête doit étudier et sur laquelle il doit faire enquête aux termes de l'article 26 de la Loi est confiée à un sous-comité du comité, dont les membres sont choisis à cette fin par le président du comité conformément à l'article 17 de la Loi, pour qu'il étudie la plainte et fasse enquête à ce sujet.

(2) Le président du comité nomme à la présidence du sous-comité un des membres de celui-ci qui est également membre du comité.

(3) Si le mandat d'un membre d'un comité ou son inscription à un tableau de membres suppléants du comité prend fin avant que l'étude de la plainte et l'enquête à ce sujet ne soient terminées ou que la décision du sous-comité ne soit rendue, il est réputé se poursuivre pour permettre au membre de participer à la décision.

(4) Le sous-comité peut exercer tous les pouvoirs et fonctions du comité à l'égard de la plainte dont il est saisi.

3. L'article 22 du Règlement est abrogé et remplacé par ce qui suit :

22. (1) Toute audience sur des questions adressées ou renvoyées au comité de discipline aux termes de l'article 26, 29 ou 33 de la Loi est tenue par un sous-comité du comité dont les membres sont choisis à cette fin par le président du comité conformément à l'article 17 de la Loi.

(2) Le président du comité nomme à la présidence du sous-comité un des membres de celui-ci qui est également membre du comité.

(3) Si le mandat d'un membre d'un comité ou son inscription à un tableau de membres suppléants du comité prend fin avant la fin de l'audience ou avant que la décision du sous-comité ne soit rendue, il est réputé se poursuivre pour permettre au membre de participer à la décision.

(4) Le sous-comité peut exercer tous les pouvoirs et fonctions du comité à l'égard de la question dont il est saisi.

4. L'article 24 du Règlement est abrogé et remplacé par ce qui suit :

24. (1) La demande d'examen visée à l'article 21 de la Loi ou la demande de modification visée à l'article 22 de la Loi fait l'objet

d'une décision d'un sous-comité du comité d'appel des inscriptions dont les membres sont choisis à cette fin par le président du comité conformément à l'article 17 de la Loi.

(2) Le président du comité nomme à la présidence du sous-comité un des membres de celui-ci qui est également membre du comité.

(3) Si le mandat d'un membre d'un comité ou son inscription à un tableau de membres suppléants du comité prend fin avant la fin de l'instance ou avant que la décision du sous-comité ne soit rendue, il est réputé se poursuivre pour permettre au membre de participer à la décision.

(4) Le sous-comité peut exercer tous les pouvoirs et fonctions du comité à l'égard de la question dont il est saisi.

5. L'article 25 du Règlement est abrogé et remplacé par ce qui suit :

25. (1) Toute audience sur des questions adressées ou renvoyées au comité d'aptitude professionnelle aux termes de l'article 26, 29 ou 33 de la Loi est tenue par un sous-comité du comité dont les membres sont choisis à cette fin par le président du comité conformément à l'article 17 de la Loi.

(2) Le président du comité nomme à la présidence du sous-comité un des membres de celui-ci qui est également membre du comité.

(3) Si le mandat d'un membre d'un comité ou son inscription à un tableau de membres suppléants du comité prend fin avant la fin de l'audience ou avant que la décision du sous-comité ne soit rendue, il est réputé se poursuivre pour permettre au membre de participer à la décision.

(4) Le sous-comité peut exercer tous les pouvoirs et fonctions du comité à l'égard de la question dont il est saisi.

6. (1) La disposition 7 de l'article 26 du Règlement est abrogée et remplacée par ce qui suit :

7. Fédération des enseignantes et des enseignants de l'élémentaire de l'Ontario.

(2) La disposition 9 de l'article 26 du Règlement est abrogée.

CONSEIL DE L'ORDRE DES ENSEIGNANTES ET
DES ENSEIGNANTS DE L'ONTARIO :

LARRY M. CAPSTICK
Président

J. W. ATKINSON
Registreur

Fait le 18 septembre 2001.

44/01

ONTARIO REGULATION 393/01

made under the

SECURITIES ACTMade: August 15, 2001
Filed: October 17, 2001Amending Reg. 1015 of R.R.O. 1990
(General)

Note: Since the end of 2000, Regulation 1015 has been amended by Ontario Regulations 67/01, 91/01, 126/01, 273/01 and 388/01. Previous amendments are listed in the Table of Regulations published in *The Ontario Gazette* dated January 20, 2001.

1. The heading before section 128 and section 128 of Regulation 1015 of the Revised Regulations of Ontario, 1990 are revoked.

2. Clause (e) of the definition of "COATS security" in section 152 of the Regulation is revoked and the following substituted:

(e) a security that is traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

3. This Regulation comes into force on the day that the rule made by the Ontario Securities Commission on August 15, 2001 entitled "National Instrument 21-101 *Marketplace Operation*" comes into force.

ONTARIO SECURITIES COMMISSION:

HOWARD WETSTON
Vice ChairPAUL MOORE
Vice Chair

Dated on August 15, 2001.

Note: The rule made by the Ontario Securities Commission on August 15, 2001 entitled "National Instrument 21-101 *Marketplace Operation*" comes into force on December 1, 2001.

44/01

"local board" means The Ontario Apple Marketing Commission.

2. The Commission is empowered to carry out any or all of the powers of the local board.

3. All assets of the local board are vested in the Commission.

4. The Commission shall dispose of the assets vested in it under section 3 and shall collect the accounts receivable of the local board in such manner as it considers is most likely to achieve the greatest net financial return.

5. Despite section 4, the Commission may retain for its own use all files, correspondence, minute books and other records and documents of the local board as it considers proper.

6. Upon the revocation of Regulation 388 of the Revised Regulations of Ontario, 1990, the local board is dissolved.

7. It is a condition of the dissolution of the local board that, prior thereto, the Commission,

(a) prepare and submit to the Minister a complete statement showing,

(i) the disposition of all assets of the local board, the persons who received such assets and the amounts of money received for such assets,

(ii) any assets not disposed of by the Commission,

(iii) any accounts receivable owing to the local board and not collected by the Commission and the reasons for non-collection, and

(iv) in detail, the outstanding liabilities of the local board; and

(b) subject to the approval of the Minister, and after submission of the statement referred to in clause (a), pay, out of the moneys received on disposition of assets and such other moneys as may be made available to the Commission for the purpose, all outstanding liabilities of the local board.

8. In carrying out its powers and duties under this Regulation, the Commission may tender or accept receipts either in its own name or in the name of the local board.

9. Nothing in section 7 prohibits payment by the Commission of any debt of the local board on the date such payment is due.

44/01

ONTARIO REGULATION 394/01

made under the

FARM PRODUCTS MARKETING ACTMade: October 17, 2001
Filed: October 19, 2001**APPLES — DISSOLUTION OF LOCAL BOARD**

1. In this Regulation,

"Commission" means the Ontario Farm Products Marketing Commission;

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