

Canadian Information Statement

Dated: April 2022

This Canadian Information Statement (as defined below) is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities referred to herein. This Canadian Information Statement is not an offer to sell these securities and is not a solicitation of offers to purchase these securities where the offer, solicitation or sale is not permitted. No securities commission or similar authority in Canada has reviewed or in any way passed on the merits of the securities described herein and any representation to the contrary is an offence. The Offering (as defined below) is being made in the Provinces of Alberta, British Columbia, Ontario and Québec (each a “Jurisdiction” and collectively, the “Jurisdictions”) pursuant to exemptions from the prospectus requirements of applicable securities laws as part of an offering by the Funds (as defined below). The Offering is being made solely by this Canadian Information Statement and no person has been authorized to give any information or to make any representation other than as provided for herein.

NORDEA 1, SICAV

A Luxembourg UCITS

Offering in Canada

The offering in Canada (the “**Offering**”) is being made in the Jurisdictions pursuant to exemptions from the prospectus requirements of the applicable securities laws of the Jurisdictions as part of an offering the funds (each a “**Fund**” and collectively, the “**Funds**”) which form part of Nordea 1, SICAV.

The Offering of shares of the Funds (the “**Shares**”) in the Jurisdictions is being made solely as described in this Canadian information statement (the “**Canadian Information Statement**”) and no person has been authorized to give any information or to make any representation other than those contained herein. Attached hereto, forming an integral part of this Canadian Information Statement and incorporated herein by reference is the prospectus of the Funds (as the same may be supplemented from time to time) (the “**Prospectus**”). Please refer to the Prospectus for a complete description of the investment objectives and strategies of each Fund. The Canadian Information Statement is confidential and for the use of only those persons to whom they are delivered by the Manager or its agents or any Dealer (as defined below).

Any decision to purchase Shares should be based solely on information contained in this Canadian Information Statement. The Shares issued hereunder will be subject to resale restrictions as described below.

Management of the Funds

Nordea Investment Funds S.A. (the “**Manager**”) is the manager of each Fund. Nordea will be responsible for the management of the Funds and performs certain investment management functions, including portfolio and risk management, in relation to the Funds. The Manager acts in Ontario and Québec as a non-resident investment fund manager pursuant to exemptions available to non-residents under Multilateral Instrument 32-102 *Registration Exemptions for Non-Resident Investment Fund Managers* (“**MI 32-102**”). The Manager may also act as the placement agent in respect of the Offering of Shares in the Jurisdictions and in reliance on the “international dealer exemption” in section 8.18 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“**NI 31-103**”). Please see *Enforcement of Legal Rights*, below, for further information on each of the aforementioned exemptions. The Offering may

also be completed in a Jurisdiction by dealers appropriately registered in accordance with, or in reliance on available exemptions from, the dealer registration requirements of applicable securities laws (each a “Dealer” and together, the “Dealers”).

Responsibility

Except as otherwise expressly required by applicable law or as agreed to in contract, no representation, warranty or undertaking (express or implied) is made and no responsibility or liability of any kind or nature whatsoever is accepted by any Dealer as to the accuracy or completeness of the information contained in this Canadian Information Statement with respect to a Fund or any other information provided by the Manager or a Fund in connection with the Offering.

Representations and Acknowledgements

Each purchaser of Shares of a Fund resident in a Jurisdiction (each a “Purchaser” and collectively the “Purchasers”) makes, and is deemed to make, the following representations, warranties and acknowledgements to the Fund, the Manager and any applicable Dealer, as at the date of execution and submission of any subscription agreement relating to the purchase of Shares (a “Subscription Agreement”), and as at the date of closing of the Offering of Shares (which are in addition to the representations, warranties and acknowledgements, if any, made in a Subscription Agreement):

- (a) the Purchaser is a resident of a Jurisdiction and is an individual or entity to whom the Fund is entitled under the applicable securities laws of such Jurisdiction to offer and issue Shares without the benefit of a prospectus qualified or filed under those securities laws;
- (b) the Purchaser is an “accredited investor” as defined in applicable Canadian securities laws, including National Instrument 45-106 *Prospectus Exemptions* (“NI 45-106”) (or for investors in Ontario, section 73.3 of the *Securities Act* (Ontario)), and as set forth in Schedule “A” hereto, and has concurrently executed and delivered a Subscription Agreement which sets out the special investment conditions for applicants in Canadian placements including the Purchaser’s status as an accredited investor and as a “permitted client” (as described below);
- (c) the Purchaser is a “permitted client” as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* and as set forth in Schedule “B” hereto;
- (d) the Purchaser is not a company or other entity created solely or being used solely or primarily to purchase or hold securities as an “accredited investor”;
- (e) the Purchaser’s investment decision will be based solely on this Canadian Information Statement and not on any other information concerning the Fund or the Offering;
- (f) the Purchaser acknowledges that Shares are being distributed in the Jurisdictions pursuant to an exemption from the prospectus requirements of the applicable securities laws of the Jurisdictions and any resale of such Shares must be made in accordance with applicable securities laws of the applicable Jurisdiction;
- (g) the Purchaser is either purchasing Shares as principal for its own account and not as agent or trustee for the benefit of another or is deemed to be purchasing Shares as principal for its own account, in either case in accordance with the securities laws of the applicable Jurisdiction;

- (h) the Purchaser will provide such information and documents as the Fund may reasonably require from time to time to comply with any filings and other requirements of applicable Canadian securities laws;
- (i) the Purchaser acknowledges and consents to the fact that the Fund and the Manager are collecting the Purchaser's (and any beneficial purchaser for which the Purchaser is contracting hereunder) personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar replacement or supplemental provincial or federal legislation or laws in effect from time to time) for the purpose of completing the Purchaser's subscription. The Purchaser acknowledges and consents to the Partnership and the Manager retaining the personal information for so long as permitted or required by applicable law or other business practices;
- (j) the Purchaser acknowledges that no person or company has made any representation, written or oral, that they will resell or repurchase or refund all or any of the purchase price of the Shares or with respect to the future value of the Shares or that the Shares will be listed and posted for trading on a securities exchange or market; and
- (k) if the Purchaser is resident in Québec, it is such Purchaser's express wish that all documents evidencing or relating in any way to the sale of Shares be drawn up in the English language only. *Chaque acheteur résidant au Québec représente que c'est sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière à la vente d'actions soient rédigés uniquement en anglais.*

In addition each Purchaser represents that the funds representing the aggregate subscription price for the Shares being purchased, which will be advanced by or on behalf of the Purchaser to the Fund, will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**Proceeds of Crime Act**") and the Purchaser acknowledges that the Fund may in the future be required by law to disclose the Purchaser's name and other information relating to the Purchaser's purchase of Shares, on a confidential basis, pursuant to the Proceeds of Crime Act. To the best of the Purchaser's knowledge, none of the subscription funds to be provided by the Purchaser: (i) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Purchaser, and the Purchaser shall promptly notify the Fund if it discovers that any of such representations ceases to be true and provide the Fund with appropriate information in connection therewith. The Fund may, by written notice to the Purchaser, suspend the payment of capital or dividend proceeds payable to the Purchaser, if any, if it is necessary to do so to comply with anti-money laundering regulations applicable to the Fund or any of the Fund's service providers.

Indirect Collection of Personal Information

By purchasing Shares, a Purchaser acknowledges that personal information, including the Purchaser's name, residential address, email address and telephone number, will be delivered to applicable Canadian securities regulatory authorities (the "**Securities Regulator**") and that such personal information is being collected indirectly by the Securities Regulator under the authority granted to it in securities legislation of the applicable Jurisdiction for the purposes of the administration and enforcement of the securities legislation of such Jurisdiction. By purchasing Shares, the Purchaser shall be deemed to have authorized such indirect collection of personal information by the applicable Securities Regulator. Questions about such indirect collection of personal information should be directed as follows:

Alberta

Alberta Securities Commission
Suite 600, 250 – 5th Street SW Calgary, Alberta T2P 0R4

Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: inquiries@bcsc.bc.ca

Ontario

Ontario Securities Commission
Public official contact regarding indirect collection of information: Inquiries Officer
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593- 8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca

Québec

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: fonds_investissement@lautorite.qc.ca

Resale Restrictions

The distribution of Shares pursuant to the Canadian Information Statement will be made pursuant to an exemption from the prospectus requirements of the applicable securities laws of the Jurisdictions. Any resale of Shares purchased under the Offering will be restricted and must be made in accordance with, or pursuant to exemptions from, the prospectus and registration requirements of applicable securities laws, which may vary depending on the Province or Territory. Purchasers are advised to seek legal advice and should consult a legal advisor prior to any resale of Shares.

The Purchaser agrees that it may not trade Shares to or for the benefit of a resident of Canada unless permitted under applicable securities laws and policies and understands and acknowledges that upon the issuance of the Shares, any certificates representing the Shares, as well as certificates issued in exchange therefore, may bear any legends required or desirable under applicable securities laws or policies.

Rights of Action for Rescission and/or Damages

Securities legislation in Canada may provide a Purchaser with remedies for rescission or damages if the Prospectus (including any amendment thereto) contains a Misrepresentation, provided that the remedies for rescission or damages are exercised by the Purchaser within the time limit prescribed by the securities legislation of the Purchaser's Jurisdiction of residence. Each Purchaser should refer to the applicable

provisions of the securities legislation of their Jurisdiction of residence for particulars of these rights or consult with a legal adviser.

As used herein, “**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in the Prospectus or any amendment thereto not misleading in light of the circumstances in which it was made. A “**material fact**” means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Shares.

Enforcement of Legal Rights

The Fund and the Manager (together the “**Foreign Entities**”) are entities formed under the laws of a jurisdiction outside of Canada. All of the directors and officers of the Foreign Entities may be located outside of Canada and, as a result, it may not be possible for Purchasers to effect services of process within Canada upon such companies or such persons. All or a substantial portion of the assets of the Foreign Entities may be located outside of Canada and, as a result, it may not be possible for Purchasers to satisfy or collect a judgment in Canada against the Foreign Entities or their respective directors and officers or to enforce a judgment obtained in Canadian courts against the Foreign Entities or such persons outside of Canada.

Shares will not be governed by the laws of any province or territory of Canada. Accordingly, it may not be possible to enforce Shares in accordance with their terms in a Canadian court.

The Manager also notifies Purchasers that it is relying on the international dealer exemption in Ontario pursuant to section 8.18 of NI 31-103 and the international investment fund manager exemption pursuant to MI 32-102 in Ontario and Québec. Further to relying on such exemptions, the Manager is required to advise you of the following:

- (a) the Manager is not registered in Ontario as a dealer or Ontario and Québec as an investment fund manager;
- (b) the head office and principal place of business of the Manager is 562, rue de Neudorf, L-2220 Luxembourg;
- (c) all or substantially all of the Manager’s assets may be situated outside of Canada;
- (d) there may be difficulty enforcing legal rights against the Manager because of the above;
- (e) the name and address of the agent for service of process of the Manager in Ontario and Québec are as follows:

Ontario

FMD Service (Ontario) Inc.
333 Bay Street, Suite 2400
Toronto, Ontario
Canada M5H 2T6

Contact:
Ederlyn Magno, Assistant Secretary
Tel: 1-416-868-3353
Email: emagno@fasken.com

Québec

Fasken Martineau DuMoulin LLP
3500-800, rue du Square-Victoria
Montréal, Québec H4Z 1E9
Contact:
Julie Delisle, Senior Director, Commercial & Related Services
Tel: (514) 397-7423
Email: jdelisle@fasken.com

Canadian Tax Considerations

THIS CANADIAN INFORMATION STATEMENT DOES NOT ADDRESS THE CANADIAN TAX CONSEQUENCES OF OWNERSHIP OF SHARES. PROSPECTIVE PURCHASERS OF SHARES SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE CANADIAN AND OTHER TAX CONSIDERATIONS APPLICABLE TO THEM.

Notice to Investors Regarding Forward-Looking Information

The Offering is being made by a non-Canadian issuer using disclosure documents prepared in accordance with non-Canadian securities laws. Prospective Purchasers should be aware that these requirements may differ significantly from those of the Jurisdictions. The forward-looking information included or incorporated by reference herein may not be accompanied by the disclosure and explanations that would be required of a Canadian issuer under the securities laws of the Jurisdictions.

SCHEDULE "A"

DEFINITIONS OF ACCREDITED INVESTOR

"Accredited Investor" is defined to mean:

- (a) a Canadian financial institution, or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;
- (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
- (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
- (j) an individual who, either alone or with a spouse, beneficially owns financial assets (which term excludes real estate) having an aggregate realizable value that, before taxes, but net of any related liabilities exceed \$1,000,000;
- (j.1) an individual who beneficially owns financial assets (which term excludes real estate) having an aggregate realizable value that, before taxes but net of any related liabilities, exceed \$5,000,000;
- (k) an individual: an individual whose net income before taxes exceeded \$200 000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;

- (l) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;
- (m) an investment fund that distributes or has distributed its securities only to:
 - (i) a person that is or was an accredited investor at the time of the distribution,
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [*“Minimum Amount Investment exemption”*] or 2.19 [*“Additional Investment in Investment Funds exemption”*] of NI 45-106, or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [*“Investment Fund Reinvestment exemption”*] of NI 45-106;
- (n) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
- (o) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- (p) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;
- (q) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
- (r) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;
- (s) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;
- (t) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;
- (u) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or
- (v) a trust established by an accredited investor for the benefit of the accredited investor’s family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor’s spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor’s spouse or of that accredited investor’s former spouse.

All dollar amounts referred to above are expressed in Canadian dollars.

For the purposes of the above: (i) a trust company or trust corporation described in paragraph (p) above, other than a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada, is deemed to be purchasing as principal; and (ii) a person described in paragraph (q) above is deemed to be purchasing as principal.

Definitions.

For the purposes of the above, the following definitions apply:

“Additional Investment in Investment Funds exemption” refers to the following exemption:

- (a) The prospectus requirement does not apply to a distribution by an investment fund or the investment fund manager of the fund, of a security of the investment fund’s own issue to a security holder of the investment fund if
 - (i) the security holder initially acquired securities of the investment fund as principal for an acquisition cost of not less than \$150,000 paid in cash at the time of the distribution,
 - (ii) the distribution is in respect of a security of the same class or series as the securities initially acquired as described in subsection (i), and
 - (iii) the security holder, as at the date of the distribution, holds securities of the investment fund that have an acquisition cost of not less than \$150,000, or a net asset value of not less than \$150,000;

“bank” means a bank named in Schedule I or II of the *Bank Act* (Canada);

“Canadian financial institution” means

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central credit cooperative society for which an order has been made under section 473(1) of that Act, or
- (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

“control person” has the same meaning ascribed to that term under applicable securities legislation and in Ontario is defined as follows:

- (a) a person or company who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and, if a person or company holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or company is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer, or
- (b) each person or company in a combination of persons or companies, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and, if a combination of persons or

companies holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the combination of persons or companies is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;

“director” means

- (a) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

“eligibility adviser” means

- (a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
 - (i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
 - (ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

“executive officer” means, for an issuer, an individual who is

- (a) a chair, vice-chair or president,
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (c) performing a policy-making function in respect of the issuer;

“financial assets” means cash, securities or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation; **and specifically excludes real estate;**

“foreign jurisdiction” means a country other than Canada or a political subdivision of a country other than Canada;

“founder” means, in respect of an issuer, a person who,

- (a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
- (b) at the time of the distribution or trade is actively involved in the business of the issuer;

“fully managed account” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction;

“investment fund” means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes

- (a) an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act*, R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments, and
- (b) a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act*, R.S.B.C. 1996 c. 429, whose business objective is making multiple investments;

“Investment Fund Reinvestment exemption” refers to the following exemption:

- (a) Subject to subsections (c), (d), (e) and (f) of this definition, the prospectus requirement does not apply to the following distribution by an investment fund, and the investment fund manager of the fund, to a security holder of the investment fund if the distributions are permitted by a plan of the investment fund:
 - (i) a distribution of a security of the investment fund’s own issue if dividends or distributions out of earnings, surplus, capital or other sources payable in respect of the investments fund’s securities is applied to the purchase of the security that is of the same class or series as the securities to which the dividends or distributions out of earnings, surplus, capital or other sources are attributable, and
 - (ii) subject to subsection (b), a distribution of a security of the investment fund’s own issue if the security holder makes optional cash payments to purchase the security of the investment fund that is of the same class or series of securities described in paragraph (i) that trade on a marketplace.
- (b) The aggregate number of securities issued under the optional cash payment referred to in subsection (a)(ii) must not exceed, in any financial year of the investment fund during which the trade takes place, 2% of the issued and outstanding securities of the class to which the plan relates as at the beginning of the financial year.
- (c) A plan that permits the distributions described in subsection (a) must be available to every security holder in Canada to which the dividend or distribution out of earnings, surplus, capital or other sources is available.
- (d) A person must not charge a fee for a distribution described in subsection (a).
- (e) An investment fund that is a reporting issuer and is a continuous distribution must set out in its current prospectus (i) details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of the security, (ii) any right that the security holder has to make an election to receive cash instead of securities on the payment of a dividend or making of a distribution by the investment fund, and (iii) instructions on how the right referred to in paragraph (ii) can be exercised.
- (f) An investment fund that is a reporting issuer and is not in continuous distribution must provide the information required by subsection (e) in its prospectus, annual information form or a material change report.

“jurisdiction” or **“jurisdiction of Canada”** means a province or territory of Canada except when used in the term foreign jurisdiction;

“local jurisdiction” means, in a national instrument or multilateral instrument adopted or made by a Canadian securities regulatory authority, the jurisdiction in which the Canadian securities regulatory authority is situate;

“Minimum Amount Investment exemption” refers to the following exemption:

- (a) The prospectus requirement does not apply in respect of a distribution in a security to a person if all of the following apply:
 - (i) that person is not an individual;
 - (ii) that person purchases as principal;
 - (iii) the security has an acquisition cost to that person of not less than Cdn\$150,000 paid in cash at the time of the distribution;
 - (iv) the distribution is in a security of a single issuer.
- (b) Subsection (a) does not apply to a distribution of a security to a person if the person was created or is used solely to purchase or hold securities in reliance on this exemption from the prospectus requirement set out in subsection (a);

“mutual fund” has the meaning ascribed to that term under applicable securities legislation and in Ontario means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in a part of the net assets, including a separate fund or trust account, of the issuer;

“net assets” means total assets (including real estate) less total liabilities (including mortgages);

“non-redeemable investment fund” means an issuer

- (a) whose primary purpose is to invest money provided by its securityholders,
- (b) that does not invest,
 - (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
 - (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
- (c) that is not a mutual fund;

“person” includes

- (a) an individual,
- (b) a corporation,

- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"regulator" means, for the local jurisdiction, the person referred to in Appendix D of National Instrument 14-101, opposite the name of the local jurisdiction;

"related liabilities" means

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (b) liabilities that are secured by financial assets;

"Schedule III bank" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"securities legislation" means the applicable securities legislation of a jurisdiction of Canada;

"spouse" means, an individual who,

- (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

"subsidiary" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

For the purpose hereof, an issuer is an **affiliate** of another issuer if

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same person.

For the purpose hereof, a person (first person) is considered to control another person (second person) if

- (a) the first person beneficially owns or directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

For the purpose hereof, for residents of Manitoba, **"distribution"** means a primary distribution to the public.

For the purpose hereof, for residents of Québec, “**trade**” refers to any of the following activities:

- (a) the activities described in the definition of “dealer” in section 5 of the *Securities Act* (Québec), including the following activities:
 - (i) the sale or disposition of a security by onerous title, whether the terms of payment be on margin, instalment or otherwise, but does not include, a transfer or the giving in guarantee of securities in connection with a debt or the purchase of a security, except as provide in paragraph (b);
 - (ii) participation as a trader in any transaction in a security through the facilities of an exchange or a quotation and trade reporting system;
 - (iii) the receipt by a registrant of an order to buy or sell a security;
- (b) a transfer or the giving in guarantee of securities of an issuer from the holdings of a control person in connection with a debt.

SCHEDULE "B"

DEFINITIONS OF PERMITTED CLIENT

"Permitted Client" is defined to mean any of the following:

- (a) a Canadian financial institution or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- (c) a subsidiary of any person or company referred to in paragraph (a) or (b), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of the subsidiary;
- (d) a person or company registered under the securities legislation of a jurisdiction of Canada as an adviser, investment dealer, mutual fund dealer or exempt market dealer;
- (e) a pension fund that is regulated by either the federal Office of the Superintendent of Financial Institutions or a pension commission or similar regulatory authority of a jurisdiction of Canada or a wholly-owned subsidiary of such a pension fund;
- (f) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (e);
- (g) the Government of Canada or a jurisdiction of Canada, or any Crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada;
- (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- (i) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- (j) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a managed account managed by the trust company or trust corporation, as the case may be;
- (k) a person or company acting on behalf of a managed account managed by the person or company, if the person or company is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;
- (l) an investment fund if one or both of the following apply:
 - (i) the fund is managed by a person or company registered as an investment fund manager under the securities legislation of a jurisdiction of Canada;
 - (ii) the fund is advised by a person or company authorized to act as an adviser under the securities legislation of a jurisdiction of Canada;

- (m) an individual who beneficially owns financial assets, as defined in section 1.1 of NI 45-106, having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5 million;
- (n) a person or company that is entirely owned by an individual or individuals referred to in paragraph (o), who holds the beneficial ownership interest in the person or company directly or through a trust, the trustee of which is a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction;
- (o) a person or company, other than an individual or an investment fund, that has net assets of at least \$25 million as shown on its most recently prepared financial statements;
- (p) a person or company that distributes securities of its own issue in Canada only to persons or companies referred to in paragraphs (a) to (o); or
- (q) a registered charity under the *Income Tax Act* (Canada) that obtains advice on the securities to be traded from an eligibility adviser, as defined in section 1.1 of NI 45-106, or an adviser registered under the securities legislation of the jurisdiction of the registered charity.