

SCHEDULE "D"
PROPOSED PROSPECTUS BY-LAW

SECURITIES INDUSTRY ACT, 1995

PROSPECTUS BY-LAW

**PART I
GENERAL**

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| Citation | 1. This By-Law may be cited as the Prospectus By-Law. |
| Interpretation Act No. 32, 1995 | 2. In this By-Law, “Act” means the Securities Industry Act, 1995, as amended from time to time. |
| Forms | 3. The forms herein referred to are those contained in Schedule 1 and such forms shall be used in all cases to which they are applicable, and may be modified as directed by the Commission to meet other cases. |

**PART II
FORM AND CONTENT OF A PROSPECTUS**

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| Use of form | 4. (1) Except as may otherwise be provided in the Act, this By-Law or any other by-law, a prospectus shall be prepared in accordance with Form No. 1 to this By-Law. |
| Prospectus distributing securities of collective investment scheme | (2) A prospectus distributing securities of a collective investment scheme shall comply with subsection (1) and with the Collective Investment Scheme By-Law. |
| Style of prospectus | 5. (1) A prospectus shall be legible and its pages numbered and any blank or partly blank pages shall contain words to the effect that the page has been intentionally left blank.

(2) A prospectus shall be prepared in plain language and in a format that is easy to read and understand.

(3) Notwithstanding anything to the contrary in the Act, this By-Law or any other by-law, the Commission may require disclosure in a prospectus of any material fact with respect to the issuer or the securities to be distributed where such disclosure is warranted in the public interest. |
| Underwriter disclosure | 6. If an underwriter has agreed to purchase all of the securities being distributed under the prospectus at a specified price and the underwriter’s obligations are subject to conditions, an issuer shall include the following statements in its prospectus with the bracketed information completed -

1. On the cover page of the prospectus:

<i>“We, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by [name of issuer] and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under Underwriters and Plan of Distribution.”</i> |

2. In the section of the prospectus that describes the plan of distribution of the securities:

“Under an agreement dated [date of agreement] between [name(s) of issuer or selling securityholder] and [name of underwriter(s)], as underwriter(s), [name of issuer or selling securityholder] has agreed to sell and the underwriter(s) [has/have] agreed to purchase on [closing date] the securities at a price of [offering price] payable in cash to [name of issuer or selling securityholder] against delivery. The obligations of the underwriter(s) under the agreement may be terminated at [its/their] discretion on the basis of [its/their] assessment of the state of the financial market and may also be terminated upon the occurrence of certain stated events. The underwriter(s) [is/are], however, obligated to take up and pay for all the securities if any of the securities are purchased under the agreement.”

International issuers

7. (1) If the issuer or a selling securityholder of the securities distributed under the prospectus is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Trinidad and Tobago, state the following on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed -

“The [name of the issuer and/or selling securityholder] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Trinidad and Tobago. Although [name of issuer and/or selling securityholder] has appointed [name(s) and address(es) of agent(s) for service] as its agent(s) for service of process in Trinidad and Tobago, it may not be possible for investors to collect from the issuer and/or selling securityholder judgments obtained in courts in Trinidad and Tobago predicated on the civil liability provisions of the securities laws of Trinidad and Tobago.”

Approved foreign issuers

- (2) The addendum required by clause 94(1)(b)(ii) of the Act shall be in the following form and appended to the cover page of a prospectus or other applicable offering document -

“This distribution in Trinidad and Tobago is being made by a foreign issuer pursuant to the disclosure requirements of a foreign securities regulatory authority. Purchasers should be aware that such requirements may differ materially from those of Trinidad and Tobago.

The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

Some or all of the directors and officers of this foreign issuer and experts named in this prospectus reside outside of Trinidad and Tobago, and most or all of the assets of this foreign issuer are located outside of Trinidad and Tobago. Although the foreign issuer has appointed an agent for service of process in Trinidad and Tobago, it may not be possible for investors to collect judgments obtained in the courts of Trinidad and Tobago predicated upon the civil liability provisions of the securities laws of Trinidad and Tobago against this foreign issuer, and its directors and officers named in this prospectus. Experts named in this prospectus have not submitted to the jurisdiction of Trinidad and Tobago and therefore it may not be possible to take legal proceedings against such experts in

Trinidad and Tobago.

This document together with all documents incorporated by reference herein if any, constitutes full, true and plain disclosure of all material facts relating to the foreign issuer and the securities to be distributed by this prospectus.”

(3) An approved foreign issuer which complies with subsection (2) is exempt from the requirements of subsection (1).

Statement of rights

8. Every prospectus shall contain a statement of the rights given to a purchaser under the Act in the following form -

“The Securities Industry Act, 1995, as amended, and the by-laws thereunder, provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission and damages if the prospectus or any amendment 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. The purchaser should refer to the Securities Industry Act, 1995, as amended, and the by-laws thereunder, for the particulars of these rights or consult with a legal adviser.”

**PART III
CERTIFICATION**

Certificate by issuer

9. (1) Subject to subsection (2), (3) and (4), a prospectus filed with the Commission shall contain a certificate in the following form signed by the chief executive officer, the chief financial officer, and, on behalf of the board of directors, by any two directors of the issuer, other than the foregoing, duly authorized to sign -

“The foregoing constitutes full, true and plain disclosure of all material facts relating to the issuer and the securities distributed by this prospectus as required by the Securities Industry Act, 1995, as amended and the by-laws thereunder.”

(2) Where the issuer has only three directors, two of whom are the chief executive and the chief financial officer, the certificate may be signed by all the directors of the issuer.

(3) Where the Commission is satisfied upon evidence or on submissions that either, or both of, the chief executive officer or chief financial officer of the issuer is for adequate cause not available to sign a certificate in a prospectus, the Commission may permit the certificate to be signed by any other responsible officer or officers in lieu of either, or both of, the chief executive officer or chief financial officer.

Certificate for collective investment schemes

(4) If a collective investment scheme –

(a) is organized as a corporation, the certificate required by subsection (1) in a prospectus filed with the Commission for a distribution of securities

of the collective investment scheme shall be signed in accordance with subsection (1);

(b) is organized as a trust, the certificate required by subsection (1) in a prospectus filed with the Commission for a distribution of securities of the collective investment scheme, shall be signed by two trustees of the collective investment scheme on behalf of all of the trustees, or by the manager of the collective investment scheme if so authorized by the constating documents of the collective investment scheme; or

(c) is organized otherwise than as a corporation or a trust, the certificate required by subsection (1) in a prospectus filed with the Commission for a distribution of securities of the collective investment scheme, shall be signed by any two persons authorized to do so.

Certificate by
underwriter

- 10.** Where there is an underwriter, a prospectus shall contain a certificate in the following form, signed by the underwriter or underwriters who, with respect to the securities offered by the prospectus, are in a contractual relationship with the issuer or security holder whose securities are being distributed by the prospectus -

“To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the issuer and the securities distributed by this prospectus as required by the Securities Industry Act, 1995, as amended, and the by-laws thereunder.”

PART IV REQUIREMENTS AS TO PROSPECTUS FILING

Draft prospectus

- 11.** An issuer shall file with the Commission a draft prospectus prior to filing a prospectus. The Commission has the power to review the draft prospectus and to require that it be amended before a receipt for the prospectus is issued by the Commission.

Filing of other materials

- 12.** An issuer shall file all documents, materials, information and forms required by the Act, this By-Law or any other by-law, at the time of the filing of a prospectus including -

(a) a signed copy of the prospectus;

(b) a submission to jurisdiction and appointment of agent for service of process of the issuer or selling security holder in Form No. 2, if an issuer or selling security holder is incorporated or organized in a foreign jurisdiction and does not have an office in Trinidad & Tobago;

(c) the consents required to be filed under the Act or by section 15 of this By-Law;

(d) the articles and by-laws, trust indenture or other constating or organizational documents of the issuer creating the security being distributed; and

(c) has been prepared or certified by an expert; or

(d) includes a report or valuation prepared by an expert, or an extract or summary thereof,

the written consent of that expert to being named and authorizing the use of the report or valuation, or extract or summary thereof, shall be filed with the Commission no later than when the prospectus is filed.

(2) An expert who is an accountant or an auditor shall, in his written consent under subsection (1) -

(a) refer to his report, stating the date of it and the dates of the financial statements on which the report is made; and

(b) include a statement to the effect that he has read the prospectus and has no reason to believe that there are any misrepresentations in it that -

(i) may be derived from the financial statements on which he reported; or

(ii) are within his knowledge as a result of his review of the financial statements.

Disclosure in prospectus where expert has interest

16. Where the consent of an expert is required to be filed under section 15 of this By-Law and that expert -

(a) has received or expects to receive an interest, directly or indirectly, in the property or assets of the issuer, or of an associate or affiliate of the issuer;

(b) beneficially owns, directly or indirectly, a security of the issuer, or of an associate or affiliate of the issuer; or

(c) is expected to be, or is in fact, elected, appointed or employed as a director, senior officer or employee of the issuer, or of an associate or affiliate of the issuer,

the issuer shall disclose in the prospectus the interest, ownership, expectation or fact, as the case may be.

Further consents

17. Where a change or amendment is proposed to be made in a prospectus which, in the opinion of the Commission, materially affects a consent given under section 15 of this By-Law, the Commission may require a further written consent to be obtained and filed under that section before issuing a receipt for the prospectus or amended prospectus, as the case may be.

Historical financial statements in prospectus of issuer other than collective investment scheme

18. (1) Subject to subsection (3), a prospectus of an issuer, other than a collective investment scheme, shall contain the following financial statements prepared in accordance with IFRS -

- (a) an income statement of the issuer for:
 - (i) each of its three most recently completed financial years ended more than ninety days before the date of the prospectus; and
 - (ii) any part of a subsequent financial year to the date at which the balance sheet required by paragraph (1)(d) is made up;
- (b) a statement of surplus of the issuer for each financial year and the part of a financial year covered by the income statement required by paragraph (1)(a);
- (c) subject to subsection (3), a statement of changes in the financial position of the issuer for each financial year and part of a financial year covered by the income statement required by paragraph (1)(a); and
- (d) a balance sheet of the issuer:
 - (i) as at the last day of the most recently completed financial year ended more than ninety days before the date of the prospectus;
 - (ii) as at the corresponding date of the previous financial year; and
 - (iii) as at the last day of the most recently completed interim period that ended more than sixty days before the date of the prospectus.

Historical financial statements of issuers that are collective investments schemes

(2) The prospectus of an issuer that is a collective investments scheme shall contain the financial statements prescribed in the Collective Investment Scheme By-Law.

(3) Every prospectus of an issuer engaged primarily in the business of investing, other than a collective investment scheme, shall include a statement of changes in net assets instead of the statement of changes in financial position required by paragraph (1)(c).

Guarantors

(4) Where the securities distributed by a prospectus are debt securities and the payment of principal or interest is guaranteed, the prospectus shall contain the financial statements required by subsection (1) with respect to the guarantor.

Variations

(5) Where the financial statements required by subsection (1) relate to part of a financial year, the prospectus shall contain an income statement, a statement of surplus and a statement of changes in financial position for the comparable period in the preceding financial year.

(6) An issuer may omit its financial statements for the oldest financial year otherwise required under subsection (1), if audited financial statements of the issuer are included in the prospectus for a financial year ended ninety days or

less before the date of the prospectus.

(7) An issuer shall include in its prospectus annual and interim financial statements of the issuer for a financial period that is more recent than the periods for which financial statements are required under subsection (1) if, before the prospectus is filed, the financial statements for the more recent period have been filed with the Commission.

(8) If annual financial statements are included in a prospectus for a financial year ended ninety days or less before the date of the prospectus, an issuer may omit from the prospectus the financial statements for the most recently completed interim period of the issuer.

(9) Subject to section 25 of this By-Law, financial statements of an issuer included in a prospectus shall be accompanied by an auditor's report without a reservation of opinion.

(10) A prospectus shall contain the management discussion and analysis in the form prescribed for the most recently completed financial year of the issuer for which audited financial statements are required under subsection (1).

Additional contents of prospectus for significant acquisitions or dispositions

19. (1) A prospectus may contain, and shall contain if required by the Commission, as part of the financial statements, a *pro forma* balance sheet of the issuer and of all of its affiliates -

(a) as at the date on which the balance sheet required by clause 18(1)(d)(i) is made up; and

(b) giving effect to:

(i) the sale or redemption or other retirement of securities issued or to be issued by the issuer; or

(ii) significant acquisitions or dispositions completed during the current financial year of the issuer.

(2) Where more than 25% of the proceeds from the distribution of securities under a prospectus are to be applied in whole or in part, directly or indirectly, to finance the acquisition of a business by a purchase of assets or shares, the prospectus shall include:

(a) the financial statements referred to in subsection 18(1) for the respective periods or as at the date specified in that paragraph, of the business that is to be acquired; and

(b) *pro forma* financial statements of the issuer and the business that is to be acquired as shown by their respective balance sheets as at the date referred to in clause 18(1)(d)(i),

unless inclusion of such financial statements would not be necessary for full, true and plain disclosure of all material facts related to the issuer and the securities to

be distributed.

(3) An auditor's report prepared in connection with *pro forma* financial statements need only report on the manner in which those statements are compiled.

(4) Sections 20 and 21 apply, as appropriate, to the financial statements required under subsection (2).

(5) *Pro forma* financial statements shall combine, year by year:

(a) the income or losses of the issuer with the income or losses of the business to be acquired; and

(b) the changes in financial position of the issuer with the changes in financial position of the business to be acquired.

Statements of assets
coverage and earnings
coverage in prospectus

20. (1) Subject to paragraph (2), a prospectus relating to -

(a) a distribution of debt securities having a term to maturity in excess of one year, or

(b) a distribution of preferred shares,

shall contain statements of assets coverage and earnings coverage.

(2) Subsection (1) does not apply to a statements in a prospectus relating to securities of an issuer which has been organized less than one year prior to the date of the prospectus.

Estimates of future
earnings in prospectus

21. (1) In this By-Law:

"distributing firm" means a market actor that is an underwriter with respect to a distribution; and

"forecast" means an estimate of the most probable results of operations of an issuer, alone or together with one or more of its affiliates, that contains any or all of:

(a) an estimate of earnings or a range of earnings;

(b) an estimate of the most probable financial position;

(c) an estimate of changes in financial position, for one or more periods that are future periods not completed when the estimate is made, but does not include:

(i) an estimate that is prepared in the ordinary course of business and without reference to a specific distribution of securities; and

(ii) an estimate that appears in a compendium of estimates relating to a number of issuers or in a publication that is distributed regularly to investors or prospective investors, who are not selected because of their potential interest in a specific issue of securities.

(2) A forecast may be included in a prospectus only if -

(a) the forecast is identified as such in the prospectus;

(b) the forecast is for a period of twelve months or less in the future;

(c) a disclaimer immediately follows the forecast stating in substance that the forecast is only a forecast and actual results may differ materially from the forecast; and

(d) where actual results differ materially from the forecast, the issuer updates the forecast by issuing a press release disclosing the actual results and the extent to which actual results differ from the forecast.

(3) No distributing firm, during the course of a distribution of securities for which a prospectus is required to be filed under the Act, shall disseminate a forecast with respect to the issuer of those securities, unless the forecast is set out in the prospectus and what is disseminated by the distributing firm consists solely of that forecast or a reasonable extract from it or summary of it.

Review of forecast by
accountant or auditor

(4) A forecast included in a prospectus may be reviewed and reported on by an accountant or auditor.

(5) An accountant or auditor that reviews a forecast included in a prospectus must be a member, in good standing, of the Institute of Chartered Accountants of Trinidad and Tobago.

(6) An accountant or auditor that reviews a forecast included in a prospectus must prepare a report on the forecast which is to be included in the prospectus. The report must be signed and dated.

(7) The report of an accountant or auditor required under subsection (6) must state the basis of accounting policies adopted in preparation of the report.

Financial statements of
affiliates

22. The Commission may require that separate financial statements of an affiliate of an issuer be included in a prospectus of the issuer, whether or not the financial statements of the affiliate are consolidated with the financial statements of the issuer contained in the prospectus.

Unconsolidated financial
statements

23. The Commission may require unconsolidated financial statements to be included in a prospectus as supplementary information.

Approval of Financial
Statements in Prospectus

24. (1) Where an issuer, whose financial statements are included in a prospectus, has, or is required to have, an audit committee of its directors, each financial statement included in the prospectus shall be reviewed by the audit committee

before approval is given to it by the directors, and before such prospectus is filed.

(2) The financial statements referred to in subsection (1) shall be approved by the directors and signed by two of them who are duly authorized to signify approval.

(3) Notwithstanding subsection (2), the financial statements of an issuer that is a collective investment scheme shall be signed as prescribed in the Collective Investment Scheme By-Law.

Financial statements not requiring audit

25. (1) A financial statement that is included in a prospectus and which relates to any part of a financial year subsequent to the last completed financial year of the issuer need not be reported on by an auditor where -

(a) that part of the financial year ended:

(i) not more than ninety days before the date on which a receipt was issued for the prospectus; and

(ii) not more than twelve months after the last audited financial year; and

(b) the audited balance sheet of the issuer as at the end of the latest financial year is included in the prospectus.

(2) An auditor need not report on -

(a) the interim financial statements referred to in subsection 18(1) of this By-Law; and

(b) the income statement, the statement of surplus and the statement of changes in financial statements and the *pro forma* balance sheet, for the same period for an acquired business referred to in subsections 19(1) or (2) or this By-Law.

(3) Where, under this By-Law, a financial statement contained in a prospectus is not reported on by an auditor, there shall be filed with the Commission not later than the filing of the prospectus, the communication of the auditor that is suggested for these circumstances by the Institute of Chartered Accountants of Trinidad and Tobago.

Inspection

26. (1) An issuer shall make available its articles and by-laws, trust indenture or other constating or organizational documents creating the security being distributed, for inspection at a reasonable time and place in Trinidad and Tobago, without charge, during the period of distribution of the securities under a prospectus.

(2) An issuer shall make available all material contracts referred to in a prospectus for inspection at a reasonable time and place in Trinidad and Tobago, without charge, during the period of distribution of securities under a prospectus.

(3) Notwithstanding subsection (2), the Commission shall have the power to grant a confidentiality request, subject to such conditions or restrictions as the Commission may impose, for any material contract to which subsection (2) applies, if the issuer can establish to the Commission's satisfaction that such material contract contains competitively sensitive information which would be materially prejudicial to the issuer if made available for inspection or otherwise disclosed.

Amendments

27. (1) An amendment to a prospectus shall consist of either an amendment that does not fully restate the text of the prospectus or an amended and restated prospectus.
- (2) An amendment to a prospectus shall contain the certificates required under Part III of this By-Law.
- (3) An issuer that files an amendment to a prospectus shall:
- (a) file a signed copy of the amendment;
 - (b) file with the Commission a copy of the prospectus, blacklined to show the changes made by the amendment, if the amendment is also a restatement of the prospectus; and
 - (c) file any documents required under the Act, this By-Law or any other by-law required to be filed with a prospectus unless the documents originally filed or with the prospectus are correct as of the date the amendment is filed.
- (4) If an amendment to a prospectus materially affects, or relates to, a consent of an expert required to be filed under section 15 of this By-Law, the issuer shall file with the amendment a new consent of the expert.

SCHEDULE 1
TO THE PROSPECTUS BY-LAW
FORMS

FORM NO. 1

CONTENTS OF PROSPECTUS

INSTRUCTIONS

1. *The objective of a prospectus is to provide information concerning the issuer that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under the Act to provide full, true and plain disclosure of all material facts relating to the issuer and the securities to be distributed. Certain rules of specific application impose prospectus disclosure obligations in addition to those described in this Form.*
2. *In determining the degree of detail required a standard of materiality should be applied. Materiality is a matter of judgment in a particular circumstance, and should generally be determined in relation to an item's significance to investors and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items should be considered individually rather than on a net basis, if the items have an offsetting effect.*
3. *The disclosure must be understandable to readers and presented in an easy to read format. If technical terms are required, clear and concise explanations should be included.*
4. *No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*
5. *Where the term "issuer" is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, to also include disclosure with respect to the issuer's material affiliates. An affiliate will generally be considered material if it contributes more than ten percent of the revenue or constitutes more than ten percent of the assets of the issuer, taken on a consolidated basis.*
6. *An issuer that is a special purpose vehicle or a collective investment scheme may have to modify the disclosure items to reflect the nature of its business. Issuers that are collective investment schemes are reminded to comply with the prospectus requirements of the Collective Investment Scheme By-Law.*
7. *If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.*
8. *If the term "class" is used in any item to describe securities, the term includes a series of a class.*

**CHAPTER 1
COVER PAGE**

Cover Page

- (1) On the outside cover of the prospectus state the following:
- (a) the name of the issuer;
 - (b) jurisdiction of incorporation or organization;
 - (c) the date of the prospectus;
 - (d) brief details of the distribution, including:
 - (i) number, type and nominal value of securities being distributed;
 - (ii) the price of the securities being distributed;
 - (e) the name(s) of the adviser(s) and underwriter(s);
 - (f) the following statement, to appear in bold:
“The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities distributed hereunder and any representation to the contrary is an offence”;
 - (g) the statements required by sections 6 or 7 of the Prospectus By-Law, as applicable; and
 - (h) a statement to the effect that no securities will be distributed under the prospectus later than 1 year and 20 days after the date of issue of the receipt for the prospectus.

**CHAPTER 2
GENERAL INFORMATION**

Definition/ Glossary

- (1) Include a glossary of abbreviations and technical terms.

Table of Contents

- (2) Include a table of contents, listing all sections and subsections of the prospectus.

Corporate Directory

- (3) State the following information:
- (a) the address and telephone number of the issuer’s registered office, head or management office, its e-mail address, its website address and the address of its transfer office (if different from the foregoing);
 - (b) the names and addresses of the following parties, as applicable:
 - (i) the auditors of the issuer;
 - (ii) reporting accountants;
 - (iii) solicitors retained by the issuer in connection with preparation of the prospectus or the conduct of the distribution;
 - (iv) any valuator named in the prospectus;
 - (v) principal bankers of the issuer;
 - (vi) registrar and transfer agent for the securities being distributed;
 - (vii) any promoter; and

- (viii) each underwriter named in the prospectus;
- (c) the names and addresses of each expert who prepared reports, excerpts or summaries which are included or referred to in the prospectus or who prepared or certified a part of the prospectus; and
- (d) the name(s) of stock exchange(s) where securities of the issuer are already listed or a listing is sought in connection with the distribution.

**CHAPTER 3
SUMMARY INFORMATION**

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| Investor Warning | (1) Include a warning statement at the front of the Information Summary to the effect that the information which follows is only a summary of the information contained in the prospectus, and that prospective purchasers are advised to read the entire prospectus prior to deciding whether to invest in the securities being distributed. |
| Information Summary | <p>(2) Include near front of the prospectus, but following the cover page, the following summary information about issuer and the securities to be distributed:</p> <ul style="list-style-type: none"> (a) the history of the issuer; (b) a description of the principal activities and business of the issuer; (c) a description of the relationship between the issuer and its affiliates; (d) the names of the directors and senior officers of the issuer; (e) the names of any promoters; (f) the securityholdings in the issuer of the persons named in (d) and (e), and their expected securityholdings following completion of the distribution; and (g) in the case of an issuer which has significant processes or assets involving technology, intellectual property, franchises and licences, or with significant research and development activities, a summary of the description of the technology used or to be used; and a description of intellectual property rights, both owned and licensed, and, if licensed, the identity of the licensor and the relationship between the issuer and the licensor along with a summary of the material terms of the licence agreement. |

**CHAPTER 4
DETAILS OF THE DISTRIBUTION**

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| Details of the Distribution | <p>(1) State the following dates in respect of the distribution:</p> <ul style="list-style-type: none"> (a) the opening and closing dates of the distribution; (b) the date for the allotment of securities (month and year); and (c) the date of listing of the securities on a stock exchange (month and year). |
| Purpose | (2) Describe the purpose of the distribution. |
| Securities to be Distributed | (3) Provide the full details of: |

- (a) the number and type of securities to be distributed;
- (b) the classes of securities and rights attaching to the securities regarding voting, dividends, liquidation and any special rights;
- (c) the number of securities proposed to be distributed to different groups of purchasers;
- (d) the terms and conditions for each class of securities of the issuer where there is, or is to be, more than one class of securities of the issuer outstanding; and
- (e) if, in conjunction with the distribution, securities of the same or another class are sold or subscribed under a prospectus exemption, the nature of such sale or subscription and the number and characteristics of the securities concerned.

Pricing of Securities	<p>(4) Provide the full details concerning the pricing of securities, including:</p> <ul style="list-style-type: none"> (a) prices applied to different classes of purchasers; and (b) the basis for determining the offering price, and if estimates are provided, explain the prices of determining the estimates.
Proceeds	<p>(5) Provide the full details concerning:</p> <ul style="list-style-type: none"> (a) the minimum subscription amount needed to be raised in order to satisfy the purposes of the distribution; (b) the estimated net cash proceeds from the distribution; (c) the principal purposes, with approximate amounts, for which the proceeds raised from the distribution will be utilized, including for: <ul style="list-style-type: none"> (i) the acquisition of specified property or other specified assets; (ii) specified capital expenditure; (iii) repayment of debt; (iv) general working capital; (v) expenses relating to the distribution; and (vi) commissions and brokerage fees; and (d) the time frame for full utilisation of the proceeds from the distribution.
Expenses	<p>(6) State the expenses incurred by the issuer in connection with the distribution on an aggregate basis, including the aggregate remuneration paid for services of experts.</p>
Yield on Debt Securities	<p>(7) If debt securities are being distributed at a premium or a discount, state in bold type the effective yield if held to maturity.</p>
Selling Securityholders	<p>(8) If a security is being distributed for the account of a selling security holder, state the name of the security holder and a cross-reference to the applicable section in the prospectus where further information about the selling security holder is provided. State the portion of the expenses of the distribution to be borne by the selling security holder, including a statement to that effect and discuss the reason why this is the case.</p>
Ratings on Debt Securities	<p>(9) If debt securities being distributed are unrated, state in bold type the fact that the debt securities are unrated. If one or more ratings, including provisional ratings, have been received from one or more approved rating organizations for debt securities being</p>

distributed, and the rating or ratings continue in effect, disclose:

- (a) each security rating, including a provisional rating, received from an approved rating organization;
- (b) the name of each approved rating organization that has assigned a rating for the securities to be distributed;
- (c) a definition or description of the category in which each approved rating organization rated the securities to be distributed and the relative rank of each rating within the organization's overall classification system;
- (d) an explanation of what the rating addresses and what attributes, if any, of the securities to be distributed are not addressed by the rating;
- (e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities to be distributed;
- (f) a statement that a security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization; and
- (g) any announcement made by an approved rating organization that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this subsection.

Ratings on Asset-Backed Securities

(10) If asset-backed securities are being distributed, disclose:

- (a) the approved rating which the asset-backed securities have received from an approved rating organization;
- (b) the name of each approved rating organization that has assigned an approved rating for the asset-backed securities to be distributed;
- (c) a definition or description of the category in which each approved rating organization rated the securities to be distributed and the relative rank of each rating within the organization's overall classification system;
- (d) an explanation of what the approved rating addresses and what attributes, if any, of the asset-backed securities to be distributed are not addressed by the rating;
- (e) any factors or considerations identified by the approved rating organization as giving rise to any risks associated with the asset-backed securities to be distributed;
- (f) a statement that an approved rating is not a recommendation to buy, sell or hold asset-backed securities and may be subject to revision or withdrawal at any time by the approved rating organization; and
- (g) any announcement made by an approved rating organization that the organization is reviewing or intends to revise or withdraw the approved rating and disclosed under this subsection.

(11) If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable purchasers to understand the rights attaching

to the securities being distributed.

Redemption or
Repurchase of Securities
Being Distributed

(12) If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

CHAPTER 5 DETAILS OF THE SECURITIES TO BE DISTRIBUTED

Description of Securities
Distributed - Shares

(1) If shares are being distributed, state the designation of the class of shares distributed and describe all material attributes and characteristics, including:

- (a) dividend rights;
- (b) voting rights;
- (c) rights upon dissolution or winding-up;
- (d) pre-emptive rights;
- (e) conversion or exchange of rights;
- (f) redemption, retraction, purchase for cancellation or surrender provisions;
- (g) sinking or purchase fund provisions;
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions; and
- (i) provisions requiring a shareholder to contribute additional capital.

Description of Securities
Distributed - Debt

(2) If debt securities are being distributed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including:

- (a) provisions for interest rate, maturity and premium, if any;
- (b) conversion or exchange rights;
- (c) redemption, retraction, purchase for cancellation or surrender provisions;
- (d) sinking or purchase fund provisions;
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge;
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the issuer or its affiliates, and provisions as to the release or substitution of assets securing the debt securities;
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates; and
- (h) any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

Description of Securities
Distributed – Asset-

(3) If asset-backed securities are being distributed, describe or state:

(a) the material attributes and characteristics of the asset-backed securities, including:

(i) the rate of interest or stipulated yield and any premium;

(ii) the date for repayment of principal or return of capital and any circumstances in which payments of principal or return of capital may be made before such date, including any redemption or prepayment obligations or privileges of the issuer, and any events that may trigger early liquidation or amortization of the underlying pool of financial assets;

(iii) provisions for the accumulation of cash flows to provide for the repayment of principal or return of capital;

(iv) provisions permitting or restricting the issuance of additional securities and any other material negative covenants applicable to the issuer;

(v) the nature, order and priority of the entitlements of holders of asset-backed securities and any other entitled persons or companies to receive cash flows generated from the underlying pool of financial assets; and

(vi) any events, covenants, standards or preconditions that may reasonably be expected to impact on the timing or amount of payments or distributions to be made under the asset-backed securities, including those that are dependent or based on the economic performance of the underlying pool of financial assets;

(b) information on the underlying pool of financial assets for:

(i) the last three completed financial years of the issuer ended more than ninety days before the date of the prospectus, or if the issuer has not completed three financial years, each completed financial year ended more than ninety days before the date of the prospectus; and

(ii) the most recently completed interim period that ended more than sixty days before the date of the prospectus and the comparable period in the immediately preceding financial year;

including a discussion and analysis of:

(A) the composition of the pool of financial assets as of the end of the period;

(B) income and losses from the pool of financial assets for the financial years presented on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of financial assets;

(C) the payment, prepayment and collection experience of the pool for the period on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;

(D) servicing and other administrative fees; and

(E) any significant variances experienced in the matters referred to in clauses (A), (B), (C), or (D);

(c) the type or types of the financial assets, the manner in which the financial assets are originated or will be originated and, if applicable, the mechanism and terms of the agreement governing the transfer of the financial assets comprising the underlying pool of financial assets to or through the issuer, including the consideration paid for the financial assets;

(d) any person or company who:

(i) originated, sold or deposited a material portion of the financial assets comprising the pool, or has agreed to do so;

(ii) acts, or has agreed to act, as a trustee, custodian, bailee or agent of the issuer or any holder of the asset-backed securities, or in a similar capacity;

(iii) administers or services a material portion of the financial assets comprising the pool or provides administrative or managerial services to the issuer, or has agreed to do so, on a conditional basis or otherwise; if:

(A) finding a replacement provider of the services at a cost comparable to the cost of the current provider is not reasonably likely;

(B) a replacement provider of the services is likely to achieve materially worse results than the current provider;

(C) the current provider of the services is likely to default in its service obligations because of its current financial condition; or

(D) the disclosure is otherwise material;

(iv) provides a guarantee, alternative credit support or other credit enhancement to support the obligations of the issuer under the asset-backed securities or the performance of some or all of the financial assets in the pool, or has agreed to do so; or

(v) lends to the issuer in order to facilitate the timely payment or repayment of amounts payable under the asset-backed securities, or has agreed to do so;

(e) the general business activities and material responsibilities under the asset-backed securities of a person or company referred to in paragraph (d);

(f) the terms of any material relationships between:

(i) any of the persons or companies referred to in paragraph (d) or any of their respective affiliates, and

(ii) the issuer;

(g) any provisions relating to the termination of services or responsibilities of any of the persons or companies referred to in paragraph (d) and the terms on which a replacement may be appointed; and

(h) in addition to general risk factors required to be disclosed under Chapter

7, any risk factors associated with the asset-backed securities, including disclosure of material risks associated with changes in interest rates or prepayment levels, and any circumstances where payments on the asset-backed securities could be impaired or disrupted as a result of any reasonably foreseeable event that may delay, divert or disrupt the cash flows dedicated to service the asset-backed securities.

Description of Securities Distributed – Other Securities

(4) If securities other than shares, debt securities or asset-backed securities are being distributed, describe fully the material attributes and characteristics of those securities.

Modification or Amendment to Securities

(5) Describe provisions as to modification, amendment or variation of any rights attached to the securities being distributed. If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

Earnings Coverage Ratios

(6) If the securities being distributed are debt securities having a term to maturity in excess of one year or are preferred shares, disclose the following earnings coverage ratios adjusted in accordance with subsection (7):

(a) the earnings coverage ratio based on the twelve month period ended on the last day of the most recently completed period for which audited annual financial statements of the issuer are included in the prospectus; and

(b) the earnings coverage ratio based on the twelve month period ended on the last day of the most recently completed period for which interim financial statements of the issuer are included in the prospectus if the period is subsequent to the last day of the most recently completed period for which audited annual financial statements of the issuer are required to be included in the prospectus.

(7) Adjust the ratios referred to in subsection (6) to reflect:

(a) the issuance of the securities being distributed under the prospectus, based on the price at which the securities are expected to be distributed;

(b) in the case of a distribution of preferred shares:

(i) all preferred shares issued since the date of the annual or interim financial statements, and

(ii) all preferred shares repurchased, redeemed or otherwise retired since the date of the annual or interim financial statements and all preferred shares to be repurchased, redeemed or otherwise retired from the proceeds to be realized from the sale of securities under the prospectus;

(c) the issuance of all long-term financial liabilities;

(d) the repayment, redemption or other retirement of all long-term financial liabilities since the date of the annual or interim financial statements and all long-term financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities distributed under the prospectus; and

(e) the servicing costs that were incurred, or are expected to be incurred, in relation to the adjustments.

(8) If the issuer is distributing, or has outstanding debt securities that are accounted for, in whole or in part, as equity under IFRS or such other generally accepted accounting

principles permitted by by-law, disclose:

(a) that the ratios have been calculated excluding the carrying charges for those securities that have been reflected in equity in the calculation of the issuer's interest and dividend obligations;

(b) that if those securities have been accounted for in their entirety as debt for the purpose of calculating the ratios required under subsection (6), the entire amount of the annual carrying charges for those securities would have been reflected in the calculation of the issuer's interest and dividend obligations; and

(c) the earnings coverage ratios for the periods referred to in subsection (6) re-calculated as though those securities had been accounted for as debt.

CHAPTER 6 UNDERWRITERS AND PLAN OF DISTRIBUTION

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| Underwriter(s) | <p>(1) State the name of each underwriter.</p> <p>(2) Include the statement required by section 6 of the Prospectus By-Law where applicable.</p> <p>(3) If there is no underwriter involved in the distribution, provide a statement on the cover page of the prospectus, in <i>bold type</i> to the effect that no underwriter has been involved in the distribution, including in the preparation of the prospectus and no underwriter has performed any review of the contents of the prospectus.</p> <p>(4) Disclose particulars of existing or potential material conflicts of interest between the issuer and any underwriter.</p> |
| Plan of Distribution | <p>(5) Describe the nature of the underwriter's obligation to take up and pay for the securities. Give the date by which the underwriter is obligated to purchase the securities.</p> <p>(6) Describe the plan of distribution of any securities being distributed other than on the basis described in subsection (5).</p> |
| Minimum Proceeds | <p>(7) If a minimum amount of funds is required under the distribution, state the minimum amount required to be raised and the maximum that could be raised. State that the distribution will not continue for a period of more than ninety days after the date of the receipt for the prospectus if subscriptions representing the minimum amount of funds are not obtained within that period. State that during the ninety day period funds received from subscriptions will be held by a depository who is a registered market actor, bank or trust company, and that if the minimum amount of funds is not raised the funds will be returned to the subscribers unless the subscribers have otherwise instructed the depository.</p> |

CHAPTER 7 RISK FACTORS

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| Risk Factors | <p>(1) State the material risks associated with investing in the issuer, and where applicable, any risks associated with the assets to be acquired with the proceeds of the distribution. Include general and specific risks relating to the above and the industry in which the</p> |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

issuer operates.

(2) State the effect (quantified if possible) that the material risk may have on the issuer together with a detailed discussion of the ability of the risk to affect the business, operating results and financial condition of the issuer.

(3) Disclose any steps proposed by the issuer to mitigate or manage the risks.

The material risks set out below are only a guide to some of the types of risks that may apply to an issuer but the list is not exhaustive:

- (a) risks associated with the nature of the business of the issuer;*
- (b) risks associated with investment activities;*
- (c) risks associated with any borrowings by the issuer, either domestic or foreign;*
- (d) risks associated with investing in a new or relatively new venture if the issuer has no operating history or if its history is limited;*
- (e) risks associated with the issuer's products and services or if acceptance of its products and services is yet to be proven;*
- (f) risks resulting from lengthy sales cycles or seasonality;*
- (g) risks of dependency on particular suppliers or customers, indirect distribution channels for products, maintaining licence agreements and failure of on-going relationships;*
- (h) risks associated with any foreign operations which may include currency fluctuations, trade restrictions, sovereignty, political and economic risks;*
- (i) risks associated with dependence on key personnel;*
- (j) risks associated with dependence on protection of intellectual property;*
- (k) risks associated with security and system disruptions;*
- (l) risks associated with assets not covered or not adequately covered by insurance;*
- (m) risks of rapid or over expansion of an issuer's business or rapid development of new technology;*
- (n) risks of competition from new entrants;*
- (o) risks associated with dependency on particular products, markets or geographical locations;*
- (p) risks associated with economic conditions and cycles that are significant or particular to the business;*
- (q) risks associated with the control of the issuer by any securityholder(s);*
- (r) risks relating to any form of government control or regulation, including government funding, grants or subsidies, tariff protection and environmental or tax regulations, that, when changed, may have financial consequences for the issuer;*
- (s) risks associated with any legal uncertainties concerning the issuer's business or operations or contractual agreements;*
- (t) risks associated with the technology used or to be used by the issuer; and*
- (u) risks relating to financial performance which may include, but not be limited to:*
 - (i) covenants under borrowing or facility agreements which limit the issuer's operating and financial flexibilities;*
 - (ii) foreseeable capital commitments; and*

(iii) *indebtedness*.

CHAPTER 8 BUSINESS OF THE ISSUER

Historical Information
About the Issuer

(1) Disclose the following historical information about the issuer:

(a) the history of the business or enterprise including the general development of the issuer's business over its three most recently completed financial years, and any subsequent period to the date of the prospectus, including only major events or conditions that have influenced the general development of the issuer's business and include changes in the business of the issuer that are expected to occur during the current financial year of the issuer;

(b) any significant acquisition or disposition completed by the issuer during the most recently completed financial year or the current financial year for which *pro forma* financial statements are required under section 19 of the Prospectus By-Law;

(c) all changes in the authorized, issued and paid-up capital of the issuer, and changes therein in the three years immediately preceding the date of the prospectus, including the date of allotment, number and type of securities allotted, consideration given and cumulative issued and paid-up capital, issue price, and disclose whether any capital was fully or partly paid-up for non-cash consideration and describe the non-cash consideration, and whether any capital remains not fully-paid at the date of the prospectus; and

(d) details of outstanding warrants, options, convertible securities and uncalled capital, including date of issue, exercise price, number outstanding, and expiry dates.

Business Overview

(2) Disclose the following regarding the issuer:

(a) the relationship between the issuer and its affiliates, including a list of affiliates and the percentage interest held in each affiliate, by the issuer, and the following additional information for each material affiliate:

(i) date and jurisdiction of incorporation;

(ii) brief history;

(iii) principal business activities, products and services;

(iv) the interest of the issuer in the affiliate;

(v) issued and paid-up capital; and

(vi) affiliates of the material affiliate;

(b) a diagrammatic illustration of the relationship between the issuer and its affiliates;

(c) the principal business activities of the issuer;

(d) the types of products manufactured or services provided by the issuer;

(e) the principal technology used or to be used by the issuer in conducting its

principal business activities;

(f) any brand names, patents, trade marks, licences, technical assistance agreements, franchises and other intellectual property rights pertaining to the issuer, and where any of these intellectual property rights are licensed, state the identity of the licensor and the relationship between the issuer and the licensor, and provide a summary of the salient terms of the licence agreement;

(g) the issuer's estimated market coverage, position and share which are supported by studies and/ or reports;

(h) any significant new or proposed products or services;

(i) the principal markets for the issuer's products and if exported, the relative percentage and names of countries exported to;

(j) the types, sources and availability of raw materials and inputs used by the issuer;

(k) the quality control procedures or quality management programmes implemented by the issuer;

(l) full details of any interruptions in the business of the issuer which may have had a significant effect on the operations of the issuer during the twelve months immediately preceding the date of the prospectus;

(m) information on key employees of the issuer, other than those who are directors or senior officers, including:

(i) total number of employees;

(ii) training and development programmes undertaken and on-going; and

(iii) whether employees are members of any unions and, if so, name the unions;

(n) the marketing, distribution, sales strategy and procedures of the issuer;

(o) the issuer's production and operating capacities and output;

(p) the issuer's major customers and major suppliers;

(q) locations of the issuer's:

(i) principal assets, both tangible and intangible;

(ii) production facilities;

(iii) principal place of business; and

(iv) marketing and distribution network;

(r) any approvals, major licences and permits obtained, conditions attaching (if any) and status of compliance, in respect of the issuer's principal business activities;

(s) any material land and buildings owned by issuer including:

(i) approximate age of buildings;

(ii) tenure and date of expiry of leases, if not owned by the issuer;

- (iii) description and existing use of the land or building; and
- (iv) details of last valuation conducted, if any.

Industry Overview

- (3) For each industry in which the issuer operates, disclose the following:
- (a) a description of the industry and the issuer's position within the industry;
 - (b) each sub-segment or sector within the industry material to the issuer;
 - (c) growth prospects for the industry;
 - (d) competitors and competition within the industry;
 - (e) relevant laws and regulations of any jurisdiction governing the industry and peculiarities of the industry;
 - (f) demand and supply conditions within the industry;
 - (g) substitute products and services; and
 - (h) industry's reliance on, and vulnerability to, imports.

Future Plans, Strategies and Prospects

- (4) Disclose the following in respect of the issuer:
- (a) a description of the business development plans (if any) and future plans of the issuer as well as steps taken (including time frame) to realise those plans; and
 - (b) growth strategies of the issuer in the light of the industry prospects, outlook, conditions, and competition.

Information on Significant Securityholders and Promoters

- (5) Disclose at least the following information about any promoter of the issuer and any securityholder who beneficially owns in excess of ten percent of any class of securities of the issuer:
- (a) name of securityholder;
 - (b) class and number of any securities held;
 - (c) nationality or jurisdiction of incorporation; and
 - (d) where securities are held under a nominee name or trustee arrangement, state that fact.

Promoters

- (6) State the role of the promoter in the issuer and its business and disclose the knowledge and experience of the promoter in the business of the issuer, and provide the details of amounts or benefits paid or intended to be paid or given to any promoter within the two years immediately preceding to the date of the prospectus.

Information on Directors and Senior Officers

- (7) State the following with respect to each director and senior officer of the issuer:
- (a) name, occupation and professional qualifications;
 - (b) profile including business and management experience;
 - (c) designation and functions;
 - (d) representation of corporate shareholders (where applicable);
 - (e) beneficial security holdings (both direct and indirect) in the issuer; and
 - (f) directorships and major securityholdings in any reporting issuer in the

three years immediately preceding the date of the prospectus.

(8) State the aggregate remuneration and benefits paid to each director and senior officer of the issuer for services rendered in all capacities to the issuer for the last completed financial year of the issuer.

(9) Disclose the members of the audit committee of the issuer.

(10) Provide full particulars of any contract or arrangement subsisting at the date of the prospectus in which any director or securityholder identified in subsection (7) of the issuer is interested and which is significant in relation to the business of the issuer.

(11) For each key employee of the issuer who is not a director or senior officer, including key technical personnel, disclose the following:

(a) name and professional qualifications;

(b) profile including business and management or technical experience;

(c) designation and functions; and

(d) beneficial security holdings (both direct and indirect) in the issuer.

(12) For each person identified in the prospectus under subsections (5), (7) or (11), disclose the following in respect of each person:

(a) if a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person, or any partnership in which he was a partner, or any corporation of which he was a director or senior officer, in any jurisdiction in the ten years immediately preceding the date of the prospectus;

(b) if such person was convicted in a criminal proceeding, or is a named subject of a pending criminal proceeding in any jurisdiction, or in the ten years immediately preceding the date of the prospectus; or

(c) if such person was the subject of any order, judgment or ruling of any court or competent jurisdiction or regulatory authority temporarily enjoining him from acting as market actor (or equivalent) or as a director or employee of a financial institution and engaging in any type of business practice or activity in any jurisdiction, in the ten years immediately preceding the date of the prospectus.

(13) Provide full details of any relationships or associations between the major securityholders, promoters, directors, senior officers or key employees. This should include information on directors' and substantial shareholders' direct and indirect securityholdings in the issuer before and after the distribution.

(14) Provide a summary of any existing or proposed service, management, or employment agreements between the issuer and its directors and senior officers or key employees.

Constituting Documents

(15) If the articles and by-laws of the issuer or other constituting or organizational documents of the issuer,

(a) restrict in any way the transfer of securities of the issuer;

(b) provide for the remuneration of directors;

(c) provide voting and borrowing powers of directors, including voting powers in relation to proposals, arrangements or contracts in which they are

interested; or

(d) provide for changes in capital and variations of class rights,

then provide a summary of such terms and provisions.

(16) For issuers with asset-backed securities outstanding, disclose to the extent material to the securities being distributed, whether or not the securities being distributed are asset-backed securities:

(a) a description of any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of any payments or distributions to be made under the asset-backed securities;

(b) for the three most recently completed financial years of the issuer or the lesser period commencing on the first date on which the issuer had asset-backed securities outstanding, information on the underlying pool of financial assets relating to:

(i) the composition of the pool of financial assets as of the end of each financial year or partial period;

(ii) income and losses from the pool of financial assets, on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of financial assets;

(iii) the payment, prepayment and collection experience of the pool of financial assets on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of financial assets;

(iv) servicing and administrative fees; and

(v) any significant variances experienced in the matters referred to in clauses (i), (ii), (iii) and (iv);

(c) if any of the information disclosed under paragraph (b) has been audited, the existence and results of the audit;

(d) the investment parameters applicable to investments of any cash flow surpluses;

(e) the amount of payments made during the three most recently completed financial years or the lesser period commencing on the first date on which the issuer had asset-backed securities outstanding, in respect of principal and interest or capital and yield, each stated separately, on asset-backed securities of the issuer outstanding;

(f) the occurrence of any events that have led to, or with the passage of time could lead to, the accelerated payment of principal, interest or capital of asset-backed securities; and

(g) the identity of any principal obligors for the outstanding asset-backed securities of the issuer at the end of the most recent financial year or interim period, and the percentage of the underlying pool of financial assets represented by obligations of each principal obligor.

(17) For purposes of paragraph (16) “principal obligor” means, for an asset-backed security, a person or company that is obligated to make payments, has guaranteed payments or has provided alternative credit support for payments on financial assets

that represent one-third or more of the aggregate amount owing on all of the financial assets underlying the asset-backed security.

(18) If the information required under paragraph (16)(b):

(a) is not compiled specifically on the underlying pool of financial assets, but is compiled on a larger pool of the same assets from which the securitized assets are randomly selected such that the performance of the larger pool is representative of the performance of the pool of securitized assets; or

(b) in the case of a new issuer, where the underlying pool of financial assets will be randomly selected from a larger pool of the same assets such that the performance of the larger pool will be representative of the performance of the pool of securitized assets to be created;

then an issuer may comply with paragraph (16)(b) by providing the information required based on the larger pool and disclosing that it has done so.

CHAPTER 9 RELATED PARTY TRANSACTIONS

Related-Party
Transactions

(1) If the financial statements included in a prospectus, or the notes thereto, disclose related-party transactions, provide full details of the related party transaction including:

(a) the parties to the transaction;

(b) the date of the transaction;

(c) the relationship of each of the parties to the issuer;

(d) the value of the transaction;

(e) any security holder approvals obtained in connection with the transaction; and

(f) any future transactions involving the parties.

(2) Provide full details of and discuss any conflict or interest or potential conflict of interest between the issuer and any of its directors, senior officers, key employees, or securityholders.

(3) Disclose any conflict of interest or potential conflict of interest in respect of any expert named in the prospectus or who has filed a consent with the Commission under the Prospectus By-Law.

CHAPTER 10 FINANCIAL STATEMENTS

Historical Financial
Information

(1) Include the financial statements required by section 18 of the Prospectus By-Law.

Pro Forma Financial
Statements

(2) Include the *pro forma* financial statements required by section 19 of the Prospectus By-law.

(3) For an issuer that is a collective investment scheme include the financial statements required by the Collective Investment Scheme By-Law.

- (4) Provide full details of the adjustments disclosed in subsection (2).
- (5) *Pro forma* financial statements included under subsection (2) must also include information on the following:
- (a) current net tangible asset (NTA) per share; and
 - (b) *pro forma* NTA per share.
- (6) A *pro forma* consolidated balance sheet included in a prospectus by the application of subsection (2) must be accompanied by a reporting accountants' or auditors' letter on the manner on which the statements are compiled.

CHAPTER 11 VALUATIONS

Application

(1) If a valuation, or an extract or summary therefrom, is included in a prospectus, the valuation must comply with the requirements of this Chapter.

Valuation Certificate

(2) A valuation must be carried out by independent registered valuers who must ensure compliance with relevant and applicable valuation standards.

(3) Valuations must be set out in the form of valuation certificates with reference made to the relevant valuation reports which must be made available for inspection.

(4) The valuation certificate must be dated and must contain clear, accurate and adequate information to enable investors and their investment advisers to make an informed investment decision.

(5) A property schedule must be appended to the prospectus if valuations involve a number of properties.

(6) The following additional information must be disclosed, where relevant:

(a) opinion on legal issues affecting the valuation;

(b) material contravention of statutory requirements which may include breaches of land use conditions, violation of building by-laws for building and/ or extensions built; and

(c) relevant details of the following documents which have been duly verified:

(i) title deeds;

(ii) land or building leases;

(iii) approval letters for conversion of land use;

(iv) planning or layout consents including any material or onerous conditions attached to such consents; and

(v) agreements such as joint venture, privatization or similar arrangements.

**CHAPTER 12
REPORT OF THE DIRECTORS**

Directors' Report

Include in the prospectus a report signed by the directors of the issuer stating whether, after due inquiry by them, in relation to the interval between the date to which the most recently completed financial year of the issuer for which audited financial statements of the issuer are include in the prospectus and the date of the prospectus, whether:

- (a) the business of the issuer has, in their opinion, been satisfactorily maintained;
- (b) there has, in their opinion, arisen any circumstances which have adversely affected the trading or the value of the assets of the issuer;
- (c) the current assets of the issuer appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are any contingent liabilities by reason of any guarantees or indemnities given by the issuer; and
- (e) there have been any changes in the published reserves or any unusual factors affecting the financial position of the issuer.

**CHAPTER 13
OTHER REQUIRED DISCLOSURE**

Legal Proceedings

(1) Provide details of any material legal proceedings to which the issuer is a party, or of which any property or assets of the issuer is the subject matter of, and any such proceedings known to the issuer to be contemplated, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Transfer Agent and Registrar

(2) If shares are to be distributed, state the names of the issuer's transfer agent(s) and registrar(s) and the location of the register(s) of transfers of that class of shares.

Register of Securities

(3) If securities, other than shares, are to be distributed, state the location of each register on which transfers of the securities may be recorded.

Optioned Securities

(4) If any capital of the issuer is under option, or agreed conditionally or unconditionally to be put under option, disclose the following if not disclosed elsewhere in the prospectus:

- (a) the number, description and amount of the securities concerned;
- (b) the period during which the option is exercisable;
- (c) the exercise price;
- (d) the consideration given or to be given for the option; and
- (e) the names of the grantees, provided that, where options have been granted or agreed to be granted to all securityholders or holders of debt securities, or to any class thereof, or to directors and employees under a share option scheme, it shall be sufficient, so far as the names are concerned, to record that fact without giving the names of the grantees.

Rights Offerings	(6) If the securities are being distributed by a way of rights or allotted to the holders of an outstanding security, disclose the pro-rata entitlement and, the last date on which transfers were or will be accepted for registration for participation in the distribution. Include a statement of the treatment of any fractions, whether the documents of title are renounceable and whether approval has been obtained from the securityholders of the issuer.
Convertible Debt	(7) Disclose the amount of any outstanding convertible debt securities of the issuer and the conditions governing, and the procedures for, conversion, exchange or subscription of such securities.
Control Persons	(8) Disclose, so far as is known to the issuer, the names of any person who, directly or indirectly, jointly or severally, exercise control over the issuer and the particulars of the proportion of the voting securities held held.
Share Ownership Schemes	(9) If the issuer has a share ownership scheme for participation by employees, disclose details of the scheme.

**CHAPTER 14
PURCHASER'S STATUTORY RIGHTS**

Statutory Rights of Withdrawal and Rescission	(1) Include the statement of rights given to a purchaser of securities in the form set forth in section 8 of the Prospectus By-Law.
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**CHAPTER 15
DOCUMENTS AVAILABLE FOR INSPECTION**

Documents to made available for inspection	(1) Identify the documents made available by the issuer for inspection pursuant to section 26 of the Prospectus By-Law. (2) State a reasonable time and place in Trinidad and Tobago at which the documents set forth in subsection (1) may be inspected, without charge, during the period of distribution of the securities under the prospectus.
Material Contracts	(3) Identify and give particulars of every material contract, other than contracts entered into in the ordinary course of business that were entered into within the two years immediately preceding the date of the prospectus, by the issuer, and state a reasonable time and place in Trinidad and Tobago at which the contracts or copies of the contracts may be inspected, without charge, during the period of distribution of the securities under the prospectus.

**CHAPTER 16
CERTIFICATES**

Certificates	Include the certificates required under sections 9 and 10 of the Prospectus By-Law.
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CHAPTER 17
SUBSCRIPTION INFORMATION

- Application for Securities
- (1) Include instructions describing how to subscribe for the securities being distributed under the prospectus and how to complete the subscription form.
 - (2) State the address(s) where completed subscriptions must be sent, as well as instructions as to whom payment must be made.
 - (3) State the minimum number of securities that can be subscribed for and the multiples of additional securities for which investors may subscribe.
 - (4) State whether the issuer reserves the right to extend the closing date or reserves the right to accept or reject subscriptions.
 - (5) Include a separately identifiable subscription form with the prospectus, which shall include a prominent statement advising subscribers to read the prospectus prior to subscribing for the securities of the issuer.
 - (6) The subscription form required under subsection (5) must contain at least the following:
 - (a) the name of the issuer;
 - (b) the date of the prospectus to which it relates;
 - (c) the expiry date of the prospectus;
 - (d) words to the effect that the application form must not be circulated unless notification is included as to where a copy of the prospectus may be obtained; and
 - (e) words to the effect that subscribers should retain a copy of the prospectus and of the subscription form for their records.
 - (7) If the prospectus offers securities which have been specified by the stock exchange to be prescribed securities, the prospectus must state that the securities are so prescribed and that applicants are required to have securities accounts when subscribing.

FORM NO. 2

**FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT OF
AGENT FOR SERVICE OF PROCESS**

1. Name of issuer:

2. Jurisdiction of incorporation of issuer:

3. Address of principal place of business of issuer:

4. Description of Securities (the "Securities"):

5. Date of Prospectus (the "Prospectus") pursuant to which the Securities are offered:

6. Name of agent for service (the "Agent For Service")

7. Address for service of process on Agent For Service in Trinidad and Tobago:

8. The issuer designates and appoints the Agent For Service at the address of the agent stated above as its agent upon whom may be served any notice, writ, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, or relating to, or concerning, the distribution of the securities made or purported to be made pursuant to the Prospectus, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.
9. The issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of Trinidad and Tobago in any proceeding arising out of, or related to, or concerning, the distribution of the Securities made or purported to be made pursuant to the Prospectus.
10. This Submission to Jurisdiction and Appointment of Agent for Service of Process shall be governed by and construed in accordance with the laws of Trinidad and Tobago.

Dated: _____

_____: Issuer

By: _____
[Name and Title]

The undersigned accepts the appointment as Agent For Service of process of
 _____ [Issuer] pursuant to the
 terms and conditions of the foregoing Appointment of Agent
 For Service of Process

Dated: _____

_____: Issuer

By: _____
[Name and Title]