

## **SECURITIES INDUSTRY REGULATIONS 2009**

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**SECURITIES INDUSTRY REGULATIONS 200[9]****SCHEDULES AND FORMS****SCHEDULE 1****Prescribed Legislation for the Purposes of Parts III & IV of the Act**

(under section 2 of the Regulations)

**Part A:****The prescribed laws are:**

Banks and Trust Companies Regulation Act, 2000 Chapter 316;  
Central Bank of The Bahamas Act, Chapter 351;  
External Insurance Act, Chapter 348;  
Financial and Corporate Service Providers Act, Chapter 369;  
Financial Intelligence Unit; Financial Transactions Reporting Act, Chapter 368  
Investment Funds Act, 2003;  
Securities Industry Act, Chapter 363; and  
The Insurance Act, Chapter 347.

**Part B:****The prescribed statutes are:**

Anti-Terrorism Act, 2004;  
Banks and Trust Companies (Money Transmission Business) Regulations, 2008;  
Business License Act, Chapter 329;  
Companies Act, Chapter 308;  
Financial and Corporate Services Providers Act, Chapter 369;  
Financial Intelligence (Transactions Reporting) Regulations, 2001;  
Immigration Act, Chapter 191;  
International Business Companies Act, 2000, Chapter 309; and  
Proceeds of Crime Act, Chapter 93.

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## SCHEDULE 2

### Form 1

#### Application for Recognition as an Approved Auditor

(under section 9 of the Regulations)

#### **Item 1 – Name of Applicant**

State full legal name of the Applicant.

#### **Item 2 – Type of Application**

State whether the Applicant is applying for recognition as an individual or as a firm of accountants.

#### **Item 3 - Full Contact Details of Applicant**

State the Applicant's principal business address and provide email address(es), telephone numbers and fax numbers. If the Applicant operates at more than one address in The Bahamas, provide details for each office.

#### **Item 4 – Details of Qualification of Applicant**

Provide names, addresses and qualifications of the Applicant (if individual application) or of all professional members of firm (if application is on behalf of a firm); include membership status of each named person with the Bahamas Institute of Chartered Accountants and whether he/she is licensed under Public Accountants Act, 1991.

#### **Item 5 – Discipline History**

State whether the Applicant or any member of the Applicant firm has ever been –

- (a) barred or suspended by the Commission from acting on behalf of or being associated with any stock exchange, clearing facility, registered firm, public issuer, or other person in the Bahamas,
- (b) barred or suspended from acting on behalf of or being associated with any financial institution or other regulated entity by any domestic regulatory authority,
- (c) refused registration or recognition or been suspended, censured or disciplined by any overseas regulatory authority, or
- (d) disciplined by any professional association or been denied admission, renewal or had its membership revoked.

If so, please provide full details.

#### **Item 6 – Name and Address of Senior Official of Applicant Responsible for this Application**

Give the name, business telephone number and email address of a senior official of the Applicant who is knowledgeable about the application and who may be contacted to discuss it.

#### **Item 7 – Additional Information**

Include any other information known to the Applicant (a) required to establish the Applicant's qualifications and suitability for recognition, and (b) to make this application true, complete and not misleading.

#### **Item 8 – Date, Certification and Signature**

Date the application. Unless applying for recognition as an individual, have the form signed by two senior partners of the Applicant. The signatories must certify the following statement:

"We, the undersigned, hereby affirm that to the best of our information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.

"We are aware of the requirements imposed on Approved Auditors under the Securities Industry Act, 200[7] and the Regulations, and if this application is granted, we undertake that the Applicant will comply with these requirements."

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

**An application fee must be submitted with this application. The appropriate fee can be found in the Fee Rule.**

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**Form 2****Notice of Appointment, Termination or Resignation of Auditors**

(under section 13 of the Regulations)

**Item 1 – Names and Addresses of Affected Parties**

State the names, principal business addresses and provide email address(es), telephone numbers and fax numbers of:

- a. the person under Part V of the Act, registered firm or public issuer giving the notice;
- b. the newly appointed auditor;
- c. the auditor whose appointment is being terminated or is resigning (if any).

**Item 2 – Description of Change and Effective Date**

Provide information regarding –

- a. The reason for the appointment, termination or resignation of auditors;
- b. The effective date of the appointment, termination or resignation;
- c. Whether the auditor's report for either of the past two years included an adverse opinion, a disclaimer of opinion or any qualification of the auditor's opinion;
- d. Whether there were disagreements with the former auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure that if not resolved to the satisfaction of the former auditor, would have caused the auditor to make reference to the subject matter of the disagreement in the report. If there were such disagreements, provide details of the relevant issues.

**Item 3 – Contact Person**

Give the name, business telephone number and email address of a senior officer of the person under Part V of the Act, registered firm or public issuer who is knowledgeable about the change, and who may be contacted to discuss it.

**Item 4 – Date the Report****Item 5 – Certification and Signature**

Include the signature of a senior officer certifying the following statement:

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading."

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

**A fee is required to be submitted with this form. The appropriate fee can be found in the Fee Rule.**

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**Form 3****Application for Registration as a Marketplace or Clearing Facility**

(under section 19 of the Regulations)

**Item 1 – Name of Applicant**

State the full legal name of the Applicant.

**Item 2 – Type of Application**

State whether the Applicant is applying for registration as a marketplace or clearing facility.

**Item 3 – Full Business Contact Details of Applicant**

State the Applicant's principal business address and provide email address(es), telephone numbers and fax numbers. If the Applicant operates at more than one address in The Bahamas, provide details for each office.

#### **Item 4 – Full Details on Security Holders, Directors and Officers**

Provide completed Form 4 for each security holder<sup>1</sup>, director and officer of the Applicant.

If the securities of the Applicant are traded on a securities exchange in any jurisdiction, provide full details of the listing.

Provide a list of all affiliates of the Applicant and indicate nature of relationship, business the affiliate is in, where it is incorporated etc.

#### **Item 5 – Discipline History**

State whether the Applicant or any director, officer or significant security holder of the Applicant has ever been –

- (a) disciplined by any stock exchange, regulatory authority or professional association in any jurisdiction or been denied admission, registration or renewal or had its membership or registration revoked;
- (b) declared bankrupt, been convicted of a crime or been sued under any commercial law, securities law, companies law or law concerning fraud;
- (c) involved with an application for regulatory approval in any jurisdiction where that application has been refused or withdrawn;
- (d) dismissed from any office or employment or barred from entry to any profession or occupation; and
- (e) compulsorily wound up or made any arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims.

If so, please provide full details.

#### **Item 6 – Operational Capabilities**

Provide a detailed description of the Applicant's operational capabilities, including the physical premises, trading system, clearing and settlement systems, security, communication and market surveillance systems, and staff resources, as applicable.

#### **Item 7 – Policies and Procedures**

Provide a summary of the Applicant's written supervisory, internal controls and risk management policies and procedures. Attach a complete copy of these policies and procedures.

#### **Item 8 – Rules**

Provide a summary of the Applicant's rules/proposed rules including rules regarding membership, listing, business conduct, and clearing and settlement, as applicable. Attach a complete copy of these rules.

#### **Item 9 – Financial Statements**

The following must be submitted –

Where the Applicant has been established within six months of the date of application and the Applicant has not commenced operations –

- (a) a statement from a senior officer of the Applicant confirming that the Applicant has not commenced trading since the date of establishment and that no financial statements have been produced or dividends declared; and
- (b) an audited statement of financial position, showing the minimum financial resources required as at a date not more than 21 days before the date of the application.

For all other Applicants –

- (a) audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
- (b) the auditor's report accompanying the financial statements; and
- (c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

If the Applicant has any significant security holders that are companies, the Applicant must also submit for each such security holder –

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<sup>1</sup> Note that where the Applicant is a publicly traded entity in The Bahamas or elsewhere, Form 4s are only required to be provided for significant security holders of the Applicant.

- (a) audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
- (b) the auditor's report accompanying the financial statements; and
- (c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

#### **Item 10 – Proposed Fees**

Provide a summary of the proposed fee schedule, including, as applicable, fees for membership, listing, execution of trades, clearing and settlement and any other charges. Attach a copy of the complete schedule.

#### **Item 11 – Other Regulatory Approvals**

If the Applicant is registered, licensed or authorized by any other regulatory authority in The Bahamas or elsewhere, provide details of that status, including the name of the regulatory authority, type of registration, license or authorization, date of approval, registration number, etc.

#### **Item 12 – Business Plan**

Provide a summary of the Applicant's business plan for the next three years, which shall include financial and operational projections, staffing requirements and listing projections, as applicable. Attach a complete copy of the detailed plan.

#### **Item 13 – Contact Person at Applicant**

Give the name, business telephone number and email address of a senior official of the Applicant who is knowledgeable about the application and who may be contacted to discuss it.

#### **Item 14 – Date the Application**

#### **Item 15 – Certification and Signature**

Include the signature of the Chief Executive Officer and Treasurer certifying the following statement:

“We, the undersigned, hereby affirm that to the best of our information, knowledge and belief that

- a. The Applicant is currently in compliance with all the applicable provisions of the Act and these Regulations; and
- b. The contents of this form and any attachments provided with this form are true, correct and not misleading.”

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

#### **Required attachments:**

1. Copy of the Applicant's written supervisory, internal controls and risk management policies and procedures.
2. Evidence of the Applicant's good standing with the Registrar of Companies.
3. Certified copy of the Applicant's Memorandum and Articles of Association, or equivalent incorporation documents.
4. Copies of required financial statements;
5. Copy of the rules of the marketplace or clearing facility, including rules regarding membership, listing, business conduct, and clearing and settlement, as applicable;
6. A schedule of the proposed fees, including fees for membership, listing, execution of trades, clearing and settlement and any other charges;
7. Evidence of the Applicant's registration with any other regulatory authority, if applicable.
8. Copy of the Applicant's detailed business plan for the next three years, including financial and operational projections, staffing requirements and listing projections, as applicable;
9. Completed Form 4s for each security holder, director and officer.
10. An application fee must be submitted with this application. The appropriate fee can be found in the Fee Rule.

**Form 4**  
**Personal Questionnaire for**  
**Directors, Officers and Security holders of**  
**Persons Registered Under Part V of the Act or Registered Firms**  
 (under Forms 3, 5 and 9 of Schedule 2)

**General Instructions:**

If insufficient space is provided, please attach a separate sheet of paper.

**WARNING: Intentional misstatement or failure to disclose information may constitute an offence.**

**A. Personal details**

1. Name of the registered person (marketplace, firm etc.) in connection with which this questionnaire is being completed.	
2. Full legal name of Applicant: Surname, Given names	
3. List any previous names of the Applicant.	
4. Indicate role(s) for which approval is sought	Director: <input type="checkbox"/> Officer: <input type="checkbox"/> Security holder: <input type="checkbox"/>
5. If applying as security holder, set out number and class of securities of entity listed in 1. held/proposed to be held  Indicate if Applicant is a significant security holder of the entity listed in 1. above	Number & class of securities:  Significant security holder: Yes: <input type="checkbox"/>
6. Home address	
7. Previous home addresses during the last ten years (with relevant dates)	Previous address 1: Dates at this address:  Previous address 2: Dates at this address:  Previous address 3: Dates at this address:
8. Date of Birth  Place of birth (including town, state and country)	



**C. Discipline History**

17. Have you or any person with which you were associated as a director, security holder, manager, officer or significant security holder, in any jurisdiction, been disciplined by any stock exchange, securities regulatory body or professional association or been denied admission, registration or renewal or had a membership or registration revoked?	No <input type="checkbox"/>  Yes <input type="checkbox"/> (if yes, attach full details)
18. Have you or any person with which you were associated as a director, security holder, manager, officer or significant security holder, in any jurisdiction ever been declared bankrupt, been convicted of a crime or been sued under any commercial law, securities law, companies law or law concerning fraud?	No <input type="checkbox"/>  Yes <input type="checkbox"/> (if yes, attach full details)
19. Have you at any time been involved with an application for regulatory approval in any jurisdiction where that application has been refused or withdrawn?	No <input type="checkbox"/>  Yes <input type="checkbox"/> (if yes, attach full details)
20. Have you, in any jurisdiction, been dismissed from any office or employment or barred from entry to any profession or occupation?	No <input type="checkbox"/>  Yes <input type="checkbox"/> (if yes, attach full details)
21. Has any person with which you were associated as a director, manager, officer or security holder, in any jurisdiction, been compulsorily wound up or made any arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated with it.	No <input type="checkbox"/>  Yes <input type="checkbox"/> (if yes, attach full details)
22. In carrying out your duties will you be acting on the directions or instructions of any other person?	No <input type="checkbox"/>  Yes <input type="checkbox"/> (if yes, attach full details)

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading and that I am in compliance with all the applicable provisions of the Act. I undertake that, as long as I continue to be a director, security holder, manager, officer, or security holder of the registered person named in item 1, I will

- Continue to comply with all the applicable provisions of the Act, and
- Notify the Commission immediately of any material changes affecting the completeness of the answers to any of the questions above.

"I also hereby authorize the Commission to make such enquiries and seek such further information as it thinks appropriate in verifying the information given in this Personal Questionnaire, or in any other documents submitted as part of this application, for the purposes of performing its due diligence and background checks. I understand that the results of these checks may be disclosed to the person who submitted this application."

<b>Date:</b>	<b>Signature:</b>
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**Other documents to be attached:**

1. A copy of Work Permit or Permanent Residence Permit (for non-Bahamian citizens)
2. A copy of the relevant pages of the applicant's passport (to include name, date of birth, nationality, signature, expiration date and photograph.
3. Applicant's current Police Certificate (not more than three months old) or an affidavit in acceptable form, if the Police Certificate is not available.
4. Three recent photographs of Applicant, individually signed on the back by the Applicant.

**Form 5****Application for Registration as an Ancillary Facility**

(under section 24 of the Regulations)

**Item 1 – Name of Applicant**

State the full legal name of the Applicant.

**Item 2 – Type of Application**

State the type of ancillary facility for which the Applicant is applying for registration.

**Item 3 – Full Business Contact Details of Applicant**

State the Applicant's principal business address and provide email address(es), telephone numbers and fax numbers. If the Applicant operates at more than one address in The Bahamas, provide details for each office.

**Item 4 – Full Details on Security Holders, Directors and Officers**

Provide a completed Form 4 for each security holder<sup>2</sup>, director and officer of the Applicant.

If the securities of the Applicant are traded on a securities exchange in any jurisdiction, provide full details of the listing.

Provide a list of all affiliates of the Applicant and indicate nature of relationship, business the affiliate is in, where incorporated etc.

**Item 5 – Discipline History**

State whether the Applicant or any director, officer or significant security holder of the Applicant has ever been –

- (a) disciplined by any stock exchange, regulatory authority or professional association in any jurisdiction or been denied admission, registration or renewal or had its membership or registration revoked;
- (b) declared bankrupt, been convicted of a crime or been sued under any commercial law, securities law, companies law or law concerning fraud;
- (c) involved with an application for regulatory approval in any jurisdiction where that application has been refused or withdrawn;
- (d) dismissed from any office or employment or barred from entry to any profession or occupation; and
- (e) compulsorily wound up or made any compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims.

If so, please provide full details.

**Item 6 – Operational Capabilities**

Provide a detailed description of the Applicant's operational capabilities, including the physical premises, risk management systems, banking, clearing and settlement arrangements, staff resources and communication capabilities, as applicable.

Provide the names and addresses of principal bankers, custodians, or other service providers.

<sup>2</sup> Note that where the Applicant is a publicly traded entity in The Bahamas or elsewhere, Form 4s are only required to be provided for significant security holders of the Applicant.

**Item 7 – Policies and Procedures**

Provide a summary of the Applicant's written supervisory, internal controls and risk management policies and procedures. Attach a complete copy of these policies and procedures.

**Item 8 – Financial Statements**

The following must be submitted:

Where the Applicant has been established within six months of the date of Applicant has not commenced operations

- (a) a statement from a senior officer of the Applicant confirming that the Applicant has not commenced trading since the date of establishment and that no financial statements have been produced or dividends declared; and
- (b) an audited statement of financial position, showing the minimum financial resources required as at a date not more than 21 days before the date of the application.

For all other Applicants –

- (a) audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
- (b) the auditor's report accompanying the financial statements; and
- (c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

If the Applicant has any significant security holders that are companies, the Applicant must also submit for each such security holder –

- (a) audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
- (b) the auditor's report accompanying the financial statements; and
- (c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

**Item 9 – Other Regulatory Approvals**

If the Applicant is registered, licensed or authorized by any other regulatory authority in The Bahamas or elsewhere, provide details of that status, including the name of the regulatory authority, type of registration, license or authorization, date of approval, registration number, etc.

**Item 10 – Business Plan**

Provide a summary of the Applicant's business plan for the next three years, which shall include financial and operational projections and staffing requirements, as applicable. Attach a complete copy of the detailed plan.

**Item 11 – Contact Person at Applicant**

Give the name, business telephone number and email address of a senior official of the Applicant, who is knowledgeable about the application, and who may be contacted to discuss it.

**Item 12 – Date the Application****Item 13 – Certification and Signature**

Include the signature of the Chief Executive Officer and Treasurer certifying the following statement:

- “We, the undersigned, hereby affirm that to the best of our information, knowledge and belief that
- a. the Applicant is currently in compliance with all the applicable provisions of the Act and these Regulations; and
  - b. the contents of this form and any attachments provided with this form are true, correct and not misleading.”

**WARNING: Intentional misstatement or failure to disclose information may constitute an offence.**

**Required attachments:**

1. Copy of Applicant's written supervisory, internal controls and risk management policies and procedures.
2. Evidence of the Applicant's good standing with the Registrar of Companies.

3. Certified copy of the Applicant's Memorandum and Articles of Association, or equivalent incorporation documents.
4. Copies of required financial statements.
5. Evidence of the Applicant's registration with any other regulatory authority, if applicable.
6. Copy of the Applicant's detailed business plan for the next three years, which shall include financial and operational projections and staffing requirements.
7. Completed Form 4s for each security holder, director and officer.
8. An application fee must be submitted with this application. The appropriate fee can be found in the Fee Rule.

### Form 6

#### Notice of Change of Information

#### Regarding a Person Registered under Part V of the Act or Registered Firm

(under sections 28 and 54 of the Regulations)

##### **Item 1 – Name of Registered Person**

State full legal name of the person registered under the Act.

##### **Item 2 – Full Business Contact Details of Registered Person**

State the person's principal business address and provide email address(es), telephone numbers and fax numbers.

##### **Item 3 – Category of Registration**

State the person's category or categories of registration under the Act.

##### **Item 4 – Details of Changes Giving Rise to Notice**

**Information on Application Form:** Attached and marked as an exhibit to this notice is a statement of particulars of any change to any information set out in the person's application to the Commission for registration.

**Events under regulations 27 or 53:** Attached and marked as an exhibit to this notice is a statement of particulars of any event required to be disclosed under the Regulation.

##### **Item 5– Contact Person at Registered Person**

Give the name, business telephone number and email address of a senior official of the registered person who is knowledgeable about the notice and who may be contacted to discuss it.

##### **Item 6 – Date the Notice**

##### **Item 7 – Certification and Signature**

Include the signature of a senior officer certifying the following statement:

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading."

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

### Form 7

#### Notice of Proposed Issue or Transfer of Securities of a

#### Person Registered under Part V of the Act or Registered Firm

(under sections 34 and 46 of the Regulations)

##### **Item 1 – Name of Registered Person**

State full legal name of the person registered under the Act.

**Item 2 – Full Business Contact Details of Registered Person**

State the person's principal business address and provide email address(es), telephone numbers and fax numbers.

**Item 3 – Category of Registration**

State the person's category or categories of registration under the Act.

**Item 4 – Details of Proposed Transaction**

Provide details of the proposed issue or transfer of securities of the registered person, including number of securities to be issued or transferred, the names of the selling security holder(s) and acquiring security holder(s), the percentage holdings of each person before and after the proposed transaction and the date of the proposed transaction.

Provide a completed Form 4 for each acquiring person.

**Item 5 – Contact Person at Registered Person**

Give the name, business telephone number and email address of a senior official of the registered person who is knowledgeable about the notice and who may be contacted to discuss it.

**Item 6 – Date the Notice****Item 7 – Certification and Signature**

Include the signature of a senior officer certifying the following statement:

“ I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.”

**WARNING: Intentional misstatement or failure to disclose information may constitute an offence.**

**Form 8**

**Annual Information Update Form  
Persons Registered Under Part V of the Act**

(under section 35 of the Regulations)

General Instruction: If space is insufficient, attach a schedule.

**WARNING: Intentional misstatement or failure to disclose information may constitute an offence.**

**Section A – Details of the Registered Person**

<b>Name:</b>		
<b>Regulated Activity Carried On:</b>		
<b>Address:</b>		
<b>P.O. Box:</b>		
<b>Telephone:</b>	<b>Facsimile:</b>	<b>Email:</b>

**Section B –Officer Details.**

<b>Chief Executive Officer:</b>	
<b>Direct line:</b>	<b>Email:</b>
<b>Treasurer:</b>	
<b>Direct line:</b>	<b>Email:</b>
<b>Other Officers</b>	
<b>Name</b>	<b>Title</b>



**Declaration:**

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief that;

- (a) the contents of this form and any attachments provided with this form are true, correct and not misleading; and
- (b) all of the information filed with the Commission is current and applicable."

**Signature:**

\_\_\_\_\_

Name (Chief Executive Office):

\_\_\_\_\_

(print)

Date:

\_\_\_\_\_

**Form 9****Application for Registration as a Registered Firm**

(under section 37 of the Regulations)

**Item 1 – Name of Applicant**

State full legal name of the Applicant.

**Item 2 – Type of Registration Application**

State the securities business(es) for which registration is sought –

- Dealing as agent only, including underwriting
- Dealing as agent or principal, including underwriting
- Arranging deals in securities
- Managing securities on a discretionary basis
- Advising on securities

**Item 3 - Full Business Contact Details of Applicant**

State the Applicant's principal business address and provide email address(es), telephone numbers and fax numbers. If the Applicant operates at more than one address in The Bahamas, provide details for each office.

**Item 4 – Full Details on Security holders, Directors and Officers**Provide completed Form 4 for each security holder<sup>1</sup>, director and officer of the Applicant.

If the securities of the Applicant are traded on a securities exchange in any jurisdiction, provide full details of listing.

Provide a list of all affiliates of the Applicant and indicate nature of relationship, business the affiliate is in, where incorporated etc.

**Item 5 – Full Details on Persons to be Carrying on Securities Business on Behalf of Applicant**

Provide completed Form 10 for each person who is to carry on securities business on behalf of the Applicant.

**Item 6 – Discipline History**

State whether the Applicant or any director, officer or significant security holder of the Applicant has ever been –

- (a) disciplined by any stock exchange, regulatory authority or professional association in any jurisdiction or been denied admission, registration or renewal or had its membership or registration revoked;

<sup>1</sup> Note that where the Applicant is a publicly traded entity in The Bahamas or elsewhere, Form 4s are only required to be provided for significant security holders of the Applicant.

- (b) declared bankrupt, been convicted of a crime or been sued under any commercial law, securities law, companies law or law concerning fraud;
- (c) involved with an application for regulatory approval in any jurisdiction where that application has been refused or withdrawn;
- (d) dismissed from any office or employment or barred from entry to any profession or occupation; and
- (e) compulsorily wound up or made any compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims.

If so, please provide full details.

### **Item 7 – Operational Capabilities**

Provide a detailed description of the Applicant's operational capabilities, including the physical premises, risk management systems, banking, clearing and custody arrangements, communication capabilities, as applicable.

Provide names and addresses of principal bankers, custodians, and other service providers.

### **Item 8 – Policies and Procedures**

Provide a summary of the Applicant's written supervisory, internal controls and risk management policies and procedures, including portfolio management, front and back office operations, operational controls, reporting policies, code of conduct, etc. as applicable. Attach a complete copy of these policies and procedures.

### **Item 9 – Financial Statements**

The following must be submitted:

Where the Applicant has been established within six months of the date of the application and Applicant has not commenced operations –

- (a) a statement from a senior officer of the Applicant confirming that the Applicant has not commenced trading since the date of establishment and that no financial statements have been produced or dividends declared; and
- (b) an audited statement of financial position, showing the minimum financial resources required as at a date not more than 21 days before the date of the application.

For all other Applicants –

- (a) audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
- (b) the auditor's report accompanying the audited financial statements; and
- (c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

If the Applicant has any significant security holders that are companies, the Applicant must also submit for each such security holder –

- (a) audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
- (b) the auditor's report accompanying the audited financial statements; and
- (c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

### **Item 10 – Other Regulatory Approvals**

If the Applicant is registered, licensed or authorized by any other regulatory authority in The Bahamas or elsewhere, provide details of that status, including name of authority, type of registration, license or authorization, date of approval, registration number, etc.

### **Item 11 – Business Plan**

Provide a summary of the Applicant's business plan for the next three years, which shall include financial and operational projections and staffing requirements, a description of the products and services offered and the method by which they are to be offered, and the nature of the clientele of the firm. Attach a complete copy of the detailed plan.

**Item 12 – Contact Person at Applicant**

Give the name, business telephone number and email address of a senior official of the Applicant who is knowledgeable about the application and who may be contacted to discuss it.

**Item 13 – Date the Application****Item 14 – Certification and Signature**

Include the signature of the Chief Executive Officer and Treasurer certifying the following statement:

“We, the undersigned, hereby affirm that to the best of our information, knowledge and belief that

- a. the Applicant is currently in compliance with all the applicable provisions of the Act and these Regulations; and
- b. the contents of this form and any attachments provided with this form are true, correct and not misleading.”

**WARNING: Intentional misstatement or failure to disclose information may constitute an offence.**

**Required attachments:**

1. Copy of the Applicant’s written supervisory, internal controls and risk management policies and procedures.
2. The arrangements made for execution and settlement of securities transactions and for custody of securities on behalf of customers
3. An organizational chart for the firm together with job descriptions for each position. (Include total number of employees in the company).
4. Evidence of the Applicant’s good standing with the Registrar of Companies.
5. Certified copy of the Applicant’s Memorandum and Articles of Association, or equivalent incorporation documents.
6. Copies of required financial statements.
7. Evidence that the company has adequate indemnity insurance on behalf of its directors, officers and employees
8. Evidence of the Applicant’s registration with any other regulatory authority, if applicable.
9. Copy of the Applicant’s detailed business plan for the next three years, which shall include financial and operational projections, staffing requirements, a description of the products and services offered and the method by which they are to be offered, and the nature of the clientele of the firm.
10. Completed Form 4 for each security holder, director and officer.
11. Completed Form 10 for the Chief Executive Officer, Compliance Officer and each representative to be registered to act for the firm.
12. An application fee must be submitted with this application. The appropriate fee can be found in the Fee Rule.

**Form 10**

**Application for Registration as CEO, Compliance Officer or  
Registered Representative of Registered Firm**

(under section 57 and Form 9 of the Regulations)

**General Instructions:** If insufficient space is provided, please attach a separate sheet of paper.

**WARNING: Intentional misstatement or failure to disclose information may constitute an offence.**

**i. Personal details**

1. Name of the registered firm.	
2. Full legal name of Applicant: Surname, Given names	

3. List any previous names of the Applicant.	
4. Indicate role(s) for which applying	Chief Executive Officer: <input type="checkbox"/> Compliance Officer: <input type="checkbox"/> Representative – Trading: <input type="checkbox"/> Representative – Discretionary Management <input type="checkbox"/> Representative – Advising only: <input type="checkbox"/>
5. Indicate if this is an application for reinstatement of a previous registration	<b>No</b> <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> (if yes, attach full details)
6. Home address	
7. Previous home addresses during the last ten years (with relevant dates)	Previous address 1: Dates at this address:  Previous address 2: Dates at this address:  Previous address 3: Dates at this address:
8. Date of Birth  Place of birth (including town, state and country)	
9. Citizenship	The Bahamas <input type="checkbox"/> Other <input type="checkbox"/> _____
10. Identification number (Passport No., Voters Registration No., National Identification No., Social Security No., Tax Identification No. or specify other type)	Number:  Type:

**B. Employment and Educational History**

11. Present occupation or employment including: <ul style="list-style-type: none"> <li>- the name and address of the employer,</li> <li>- the nature of business,</li> <li>- title of position held, and</li> <li>- relevant start date</li> </ul> Provide the name, position, telephone number of a reference	
12. Prior occupations and employment during the last ten years, including: <ul style="list-style-type: none"> <li>- the name and address of the employer,</li> <li>- the nature of business,</li> <li>- title of position held, and</li> <li>- relevant dates, leaving no period unaccounted for</li> </ul> For each employer, provide the name, position and telephone number of a reference	

<p>13. List companies that Applicant –</p> <p>(a) currently is a director or significant security holder</p> <p>(b) has been a director or significant security holder at any time during the last ten years?</p> <p>(specify the name of the entity, the country of incorporation, and the nature of business in each case)</p>	<p>(a) Current director or significant security holder</p> <p>(b) Previous director or significant security holder</p>
<p>14. Describe the formal education or training the applicant has in securities related activities (including qualifications and year in which they were obtained).</p>	
<p>15. Do you have any other professional qualifications (e.g. lawyer, accountant, etc.)?</p>	<p><b>No</b>    <input type="checkbox"/></p> <p><b>Yes</b>    <input type="checkbox"/>    <b>(if yes, attach full details)</b></p>
<p>16. Are you or have you ever been a director, officer, security holder, or employee of any other entity registered with the Commission? If yes, please provide details</p>	<p><b>No</b>    <input type="checkbox"/></p> <p><b>Yes</b>    <input type="checkbox"/>    <b>(if yes, attach full details)</b></p>
<p>17. Have you ever been licensed as a registered representative or similar capacity in any other jurisdiction?</p>	<p><b>No</b>    <input type="checkbox"/></p> <p><b>Yes</b>    <input type="checkbox"/>    <b>(if yes, attach full details, including copy of evidence of such registration)</b></p>

### C. Discipline History

<p>18. Have you or any person with which you were associated as a director, security holder, manager, officer or significant security holder, in any jurisdiction, been disciplined by any stock exchange, securities regulatory body or professional association or been denied admission, registration or renewal or had a membership or registration revoked?</p>	<p><b>No</b>    <input type="checkbox"/></p> <p><b>Yes</b>    <input type="checkbox"/>    <b>(if yes, attach full details)</b></p>
<p>19. Have you or any person with which you were associated as a director, security holder, manager, officer or significant security holder, in any jurisdiction ever been declared bankrupt, been convicted of a crime or been sued under any commercial law, securities law, companies law or law concerning fraud?</p>	<p><b>No</b>    <input type="checkbox"/></p> <p><b>Yes</b>    <input type="checkbox"/>    <b>(if yes, attach full details)</b></p>
<p>20. Have you at any time been involved with an application for regulatory approval in any jurisdiction where that application has been refused or withdrawn?</p>	<p><b>No</b>    <input type="checkbox"/></p> <p><b>Yes</b>    <input type="checkbox"/>    <b>(if yes, attach full details)</b></p>
<p>21. Have you, in any jurisdiction, been dismissed from any office or employment or barred from entry to any profession or occupation?</p>	<p><b>No</b>    <input type="checkbox"/></p> <p><b>Yes</b>    <input type="checkbox"/>    <b>(if yes, attach full details)</b></p>

22. Has any person with which you were associated as a director, manager, officer or security holder, in any jurisdiction, been compulsorily wound up or made any arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated with it.	<b>No</b> <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> (if yes, attach full details)
23. In carrying out your duties will you be acting on the directions or instructions of any other person?	<b>No</b> <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> (if yes, attach full details)

I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading and that I am in compliance with all the applicable provisions of the Act. I undertake that, as long as I continue to be the Chief Executive Officer, Compliance Officer or registered representative of the registered firm, I will

- continue to comply with all the applicable provisions of the Act, and
- notify the Commission immediately of any material changes affecting the completeness of the answers to any of the questions above.

I also hereby authorize the Commission to make such enquiries and seek such further information as it thinks appropriate in verifying the information given in this Application, or in any other documents submitted as part of this application, for the purposes of performing its due diligence and background checks. I understand that the results of these checks may be disclosed to the registered firm that submitted this application.

Date:	Signature:
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#### Sponsoring Registered Firm

Provide intended date of employment of this Applicant:	
<b>Notice: The Registered Firm is required to give immediate notice to the Commission if the Applicant does not commence employment with the Registered Firm on the date noted above.</b>	

#### Authorization from Senior Officer or Director of Registered Firm

Date:	Signature:
	Title:

#### Other documents to be attached:

1. A copy of Work Permit or Permanent Residence Permit (for non-Bahamian citizens).
2. A copy of the relevant pages of the applicant's passport (to include name, date of birth, nationality, signature, expiration date and photograph).
3. Applicant's current Police Certificate (not more than three months old) or an affidavit in acceptable form, if the Police Certificate is not available.
4. Three recent photographs of Applicant, individually signed on the back by the Applicant.
5. Copy of any relevant degree, educational course(s) passed.
6. An application fee must be submitted with this application. The appropriate fee can be found in the Fee Rule.

**Form 11**  
**Annual Information Update Form**  
**Registered Firms**

(under section 45 of the Regulations)

General Instruction: If space is insufficient, attach a schedule.

**WARNING: Intentional misstatement or failure to disclose information may constitute an offence.**

**Section A – Details of the Registered Firm**

<b>Name:</b>		
<b>Securities business(es) for which registered:</b>		
<b>Address:</b>		
<b>P.O. Box:</b>		
<b>Telephone:</b>	<b>Facsimile:</b>	<b>Email:</b>

**Section B – Details of Registered Individuals**

<b>Chief Executive Officer:</b>	
<b>Direct line:</b>	<b>Email:</b>
<b>Compliance Officer:</b>	
<b>Direct line:</b>	<b>Email:</b>

**Individuals registered as representatives of the firm.**

<b>Name</b>	<b>Registration type</b>

**Section C – Directors and Ownership Details**

<b>Names of Directors</b>

<b>Security holders:</b>	
<b>Names</b>	<b>Number and type of securities held</b>

**Section D – General Information**

<b>Assets Under Management:</b>		
<b>Financial Year End:</b>		
<b>Number of Employees:</b>		
<b>Insurance Coverage: (specify separately for each type of insurance held)</b>		
<b>Type:</b>		
<b>From</b>	<b>To</b>	<b>Amount</b>

Please indicate any additional changes with respect to the registered firm that the firm considered important or appropriate to report. Attach additional information to this form, if necessary, to explain the changes.


**Declaration:**

- “I, the undersigned, hereby affirm that to the best of my information, knowledge and belief that:
- a. the contents of this form and any attachments provided with this form are true, correct and not misleading; and
  - b. all of the information filed with the Commission by the Registered Firm is current and applicable.”

Signature: \_\_\_\_\_

Name (Chief Executive Officer: \_\_\_\_\_  
 (print)

Date: \_\_\_\_\_



## Form 12

### Notice of Employment of Personnel to Carry on Securities Business on Behalf of Registered Firm

(under section 47 of the Regulations)

#### Item 1 – Name and Address of Registered Firm

State full legal name of the registered firm giving notice. Provide principal business address, email address(es), telephone numbers and fax numbers.

#### Item 2 – Nature of Notice:

State nature of notice:

- (a) employment of individual(s) currently registered with the Commission; or
- (b) employment of person of unregistered individual who will be applying for registration.

#### Item 3 - Employment of Individual Previously Registered with the Commission

Provide the name, address and telephone number for each new employee. Attached a completed Form 10 for each such employee and include details of his or her registration, e.g. licence number, date, status. Provide the date that each such individual is to begin employment with the Registered Firm.

#### Item 4 – Employment of Previously Unlicensed Individual

Provide name, address and telephone number for each new employee who has never been registered with the Commission. Attach a completed Form 10 for each employee. Provide the date that each such individual is to begin employment with the Registered Firm.

#### Item 5 – Senior Officer

Give the name, business telephone number and email address of a senior officer of the registered firm who is knowledgeable about this notice and who may be contacted to discuss it.

#### Item 6 – Date the Report

#### Item 7 – Certification and Signature

Include the signature of a senior officer certifying the following statement:

“I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.”

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

**Notice: The Registered Firm is required to give immediate notice to the Commission if a person named in this form does not commence employment with the Registered Firm on the date set out in this form.**

## Form 13

### Notice of Termination, Resignation or Retirement of Registered Individual by Registered Firm

(under section 48 of the Regulations)

#### Item 1 – Name and Address of Registered Firm

State full legal name of the registered firm giving notice. Provide principal business address, email address(es), telephone numbers and fax numbers.

#### Item 2 – Name of Terminated, Resigned or Retired Individual

Provide full details on the relevant individual:

- full name, address, telephone number, date of birth;
- registration information, e.g. licence number, date, category, status.

#### Item 3 – Effective Date of Termination, Resignation or Retirement

Provide relevant effective date.

**Item 4 – Summary of Circumstances**

Provide a brief summary of the reasons for the registered individual leaving the employment of the firm.

**Item 5 – Senior Officer**

Give the name, business telephone number and email address of a senior officer of the registered firm who is knowledgeable about the notice, and who may be contacted to discuss it.

**Item 6 – Effect of Termination**

Include the following statement on the notice:

**"The termination of employment of a registered individual results in the immediate suspension of that person's registration, until such time as notice of reinstatement of registration has been given by the Commission."**

**Item 7 – Date the Report****Item 8 – Certification and Signature**

Include the signature of a senior officer certifying the following statement:

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading."

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

A fee must be submitted with this Form. The appropriate fee can be found in the Fee Rule.

**Note: A copy of the completed Form is to be provided to the Commission and to the terminated employee.**

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**Form 14****Financial and Operational Report**

(under sections 49 and 91 of the Regulations)

**As of and for the Period ending:** \_\_\_\_\_  
 (Specify - Annual or Quarterly Report)

**WARNING: Intentional misstatement or failure to disclose information may constitute an offence.**

**SUMMARY FINANCIAL INFORMATION****A. TANGIBLE NET WORTH**

1	Share capital	\$
2	Additional paid up capital	\$
3	Retained earnings	\$
4	Reserves	\$
5	<b>Total Shareholder's Equity</b> (sum of lines 1 to 4)	\$
6	Intangible Assets	\$
7	<b>TANGIBLE NET WORTH</b> (line 5 less line 8)	\$

**B. NET INCOME****Income**

8	Fees & Commissions	\$
9	Other Income	\$
10	<b>Total Income</b> (sum of lines 8 and 9)	\$

**Expenses**

11	Advisory fees and commissions	\$
12	Staff costs	\$
13	Rental expense	\$
14	Professional fees	\$
15	Depreciation and amortization	\$
16	Other general and administrative costs	\$
17	<b>Total Expenses</b> (sum of lines 11 to 16)	\$
	<b>NET INCOME</b> (line 10 less line 17)	\$

**TRADING STATISTICS****Publicly Traded Securities:**

	Listed	Unlisted
<b>Total number of trades executed</b>		
<b>Number of Securities traded for period</b>		
<b>Bought</b>		
<b>Sold</b>		

**Value of Securities traded for period**

<b>Bought</b>		
<b>Sold</b>		

**Exempt transactions executed for the period**

<b>Security</b>	<b>Securities/Par Value @ Price</b>	<b>Total Value</b>

**REGULATORY CAPITAL****A. Qualifying Assets**

1	Cash and cash equivalents	\$
2	B\$ or US\$ money market funds held in the Bahamas	\$
3	90% of market value of securities issued or guaranteed by The Bahamas government	\$
4	90% of market value of securities issued by an acceptable foreign government <sup>1</sup>	\$
5	75% of market value of marketable securities listed on recognized stock exchange <sup>2</sup>	\$
6	Other assets as acceptable to the Commission	\$
7	<b>Total Qualifying Assets (sum of lines 1 to 6)</b>	\$

**B. Deductions**

8	Total liabilities	\$
9	Aggregate of deductible amounts from the firm's insurance policies <sup>3</sup>	\$
10	<b>Total Deductions (sum of lines 8 and 9)</b>	\$

**C. Loan Capital and Capital Advances**

11	Loans from financial institutions and subordinated advances from affiliates <sup>4</sup>	\$
12	<b>D. NET FREE REGULATORY CAPITAL (line 7 less line 10 plus line 11)</b>	\$
13	<b>E. Required Capital<sup>5</sup></b>	\$

14	<b>F. SURPLUS/(DEFICIT) (line 12 less line 13)</b>	\$
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<sup>1</sup> Foreign Governments with a minimum of an "A" rating as assessed by Standard and Poor's

<sup>2</sup> A securities exchange registered under the Act or a foreign exchange recognized by the Commission under section 164 of the Act.

<sup>3</sup> Include deductible amounts from all policies held by the firm regarding professional indemnity, employee fidelity and theft and any other insurance policies.

<sup>4</sup> Amounts must also be included in total liabilities in Section B and loan or advance must be subordinated to any claim the Commission has against the firm

<sup>5</sup> See regulation 42.

<b>Certification regarding reconciliation and segregation of client assets</b>	
The Registered Firm is in compliance with the reconciliation and segregation requirements of Division 2 of Part VII of the Regulations.	Yes <input type="checkbox"/>  No <input type="checkbox"/> (if no, attach full details, including the actions that are being taken to rectify the problems.)

Include the signature of the Chief Executive Officer, Treasurer or other senior officer certifying the following statement:

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief that

- a. The Applicant is currently in compliance with all the applicable provisions of the Act and these Regulations; and
- b. The contents of this form and any attachments provided with this form are true, correct and not misleading."

**A fee is required to be submitted with this form. The appropriate fee can be found in the Fee Rule.**

### **Form 15**

#### **Application for Approval of Advertisement Made in The Bahamas**

(under section 93 of the Regulations)

#### **Item 1 – Name and Address of Applicant**

State full legal name of the Applicant submitting the advertisement for approval and provide full contact details – mailing address, phone number and email address.

#### **Item 2 – Registration Status of Applicant**

Give full details on the Applicant's registration with the Commission, if any, including types of business authorized to carry on, registration number etc.

#### **Item 3 – Details of Advertisement or Other Public Invitation**

Describe where the advertisement will be published, including the name of newspaper, journal or other media.

Provide a copy of the proposed advertisement or the complete text of advertisement, if it is to be distributed via electronic means, such as on the radio, television or Internet.

#### **Item 4 - Senior Officer**

Give the name, business telephone number and email address of a senior officer of the Applicant who is knowledgeable about the application and who may be contacted to discuss it.

#### **Item 5 – Date the Form**

#### **Item 6 – Certification and Signature**

Include the signature of a senior officer certifying the following statement:

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading."

#### **Required attachments:**

- (a) Copy of proposed advertisement as noted in item 3.
- (b) Any other relevant information as requested by the Commission.
- (c) An application fee must be submitted with this application. The appropriate fee can be found in the Fee Rule.

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

**Form 16**  
**Prospectus**  
 (under section 95 of the Regulations)

**THE PURPOSE OF A PROSPECTUS**

*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 information relating to the issuer and the securities to be distributed.*

**GENERAL INSTRUCTIONS**

*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.*

*Unless an item specifically requires disclosure only in the preliminary prospectus, the disclosure requirements set out in this Form apply to both the preliminary prospectus and the prospectus. Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the preliminary prospectus, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.*

*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.*

*No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*

*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.*

*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.*

*If the term "class" is used in any item to describe securities, the term includes a series of a class.*

*If an issuer discloses financial information in a preliminary prospectus or prospectus in a currency other than the Bahamian dollar, prominently disclose the currency in which the financial information is denominated.*

**PART A - COVER PAGE DISCLOSURE**

**1. Required Language**

State in italics at the top of the cover page the following:

*"The Securities Commission of The Bahamas has not expressed any opinion about the merits of these securities or determined that this prospectus is accurate or complete. It is illegal for anyone to tell you otherwise."*

**2. Preliminary Prospectus Disclosure**

If the prospectus is a preliminary prospectus, print the following in red ink and italics on the top of the cover page:

*"A copy of this preliminary prospectus has been filed with the Securities Commission of The Bahamas but has not yet become final for the purpose of the distribution of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the final prospectus is obtained from the Commission."*

### 3. **Basic Disclosure about the Offering**

State the following, immediately below the disclosure required under sections 1 and 2, with the bracketed information completed as applicable:

[PRELIMINARY] PROSPECTUS  
 [INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR SECONDARY OFFERING]  
 [Date]  
 [Name of Issuer]  
 [number and type of securities qualified for distribution under the prospectus and the price per security]

### 4. **Name and Address of Issuer**

State the full corporate name of the issuer or, if the issuer is an unincorporated entity, the full name under which the entity exists and carries on business. Include the issuer's address and telephone number of the issuer's registered office, head or management office, its e-mail address, its website address, its jurisdiction of incorporation or organization and the statute under which it was incorporated or organized.

### 5. **Market for Securities**

- (1) Identify the exchange(s) and quotation system(s), if any, on which securities of the issuer of the same class as the securities being offered are traded or quoted and the market price of those securities as of the latest practicable date.
- (2) If no market for the securities being offered in the distribution exists or is expected to exist after the distribution, state the following in bold type: "There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See Risk Factors."

### 6. **Underwriter(s)**

- (1) State the name of each underwriter.
- (2) If applicable, comply with the requirements of Part L – Underwriter Conflicts of Interest, for cover page prospectus disclosure.
- (3) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the prospectus, and provide the anticipated date for closing of the offering, if known.
- (4) If there is no underwriter involved in the distribution, provide a statement in bold type to the effect that no underwriter has been involved in the preparation of the prospectus or performed any review of the contents of the prospectus.

## PART B - SUMMARY OF PROSPECTUS

7. **Information Summary** - Include near the front of the prospectus, but after the cover page, the following summary information about issuer and the securities to be distributed –
  - (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 and addresses of any promoters; and
  - (f) the security holdings in the issuer of the persons named in (d) and (e), and their expected security holdings following completion of the distribution.
8. **Investor Warning** - Include a warning statement at the beginning of the 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.

## PART C - DETAILS OF THE DISTRIBUTION

9. **Details of the Distribution** – State the following dates in respect of the distribution –
- (a) the opening and closing dates of the distribution;
  - (b) the date for the allotment of securities; and
  - (c) the date of listing of the securities on a securities exchange, if any.
10. **Securities to be Distributed** – 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.
11. **Pricing of Securities** – Provide the full details concerning the pricing of securities, including –
- (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 used in determining the estimates.
12. **Proceeds** – Provide the full details concerning –
- (a) the estimated net proceeds to be received by the issuer or selling security holder;
  - (b) in the case of an offering to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the issuer or selling security holder from the sale of the securities offered; and
  - (c) the minimum subscription amount needed to be raised in order to satisfy the purposes of the distribution.
13. **Principal Purposes**
- (1) Describe in reasonable detail each of the principal purposes, with approximate amounts, for which the net proceeds will be used by the issuer, including for –
    - (a) the acquisition of specified property or other specified assets;
    - (b) specified capital expenditures;
    - (c) repayment of debt;
    - (d) general working capital;
    - (e) expenses relating to the distribution;
    - (f) commissions and brokerage fees; and
    - (g) the time frame for full utilisation of the proceeds from the distribution.
  - (2) If the closing of the offering is subject to a minimum subscription, provide disclosure of the use of proceeds for the minimum and maximum amounts.
  - (3) If more than 10 percent of the net proceeds will be used to reduce or retire indebtedness and the indebtedness was incurred within the two preceding years, describe the principal purposes for which the proceeds of the indebtedness were used and, if the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer and the outstanding amount owed.  
If it would aid investors in understanding this information, set it out in a table.
14. **Expenses** – 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.
15. **Yield on Debt Securities** – If debt securities are being distributed at a premium or a discount, state in bold type the effective yield if held to maturity.
16. **Selling Security holders** – 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.

17. **Redemption or Repurchase of Securities Being Distributed** – 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.

#### **Part D - BUSINESS OF THE ISSUER**

18. **Historical Information About the Issuer** – Disclose the following historical information about the issuer –
- (a) the history of the business or enterprise including the general development of the business of the issuer 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 business of the issuer;
  - (b) the changes in the business of the issuer that are expected to occur during the current financial year of the issuer;
  - (c) any significant acquisition or disposition completed by the issuer during the most recently completed financial year or the current financial year;
  - (d) 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 noncash consideration and describe the non-cash consideration, and whether any capital remains not fully-paid at the date of the prospectus; and
  - (e) details of outstanding warrants, options, convertible securities and uncalled capital, including date of issue, exercise price, number outstanding, and expiry dates.
19. **Business Overview** – Disclose the following regarding the issuer –
- (a) the relationship between the issuer and its affiliates, including a list of affiliates and the percentage equity and voting 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 diagram showing 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, trademarks, 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 estimated market coverage of the issuer, 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 products or services of the issuer, 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 employees of the issuer, other than those who are directors or senior officers, including total number of employees in The Bahamas and elsewhere;
- (n) the marketing, distribution, sales strategy and procedures of the issuer;
- (o) the production and operating capacities and output of the issuer;
- (p) the major customers and major suppliers of the issuer;
- (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 principal business activities of the issuer; and
- (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.

**20. Industry Overview** – For each industry in which the issuer operates, disclose the following –

- (a) a description of the industry and the position of the issuer 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.

**21. Future Plans, Strategies and Prospects** – 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.

### **PART E – RISK FACTORS**

**22. Risk Factors** – Describe the factors material to the issuer that a reasonable investor would consider relevant to an investment in the securities being offered.

#### **INSTRUCTIONS**

*Include –*

- (a) Risks associated with the issuer's financial position;*
- (b) Business factors that may adversely affect the issuer's operations;*
- (c) Other factors that may adversely affect the issuer's financial results; and*
- (d) Other factors that may adversely affect the value or market price of the securities being offered.*

### **PART F – FINANCIAL INFORMATION**

**23. Financial Statements**

- (1) **Interpretation of "issuer"** – The financial statements of an issuer required under this Part to be included in a prospectus must include –

- (a) the financial statements of any predecessor entity that formed, or will form, the basis of the business of the issuer, even though the predecessor entity is, or may have been, a different legal entity, if the issuer has not existed for three years;
- (b) the financial statements of a business or businesses acquired by the issuer within three years before the date of the prospectus or proposed to be acquired, if a reasonable investor reading the prospectus would regard the primary business of the issuer to be the business or businesses acquired, or proposed to be acquired, by the issuer; and
- (c) the restated combined financial statements of the issuer and any other entity with which the issuer completed a transaction within three years before the date of the prospectus or proposes to complete a transaction, if the issuer accounted for or will account for the transaction as a continuity of interests.

#### **Annual financial statements**

- (2) Include audited annual financial statements of the issuer consisting of –
  - (a) statement of comprehensive income, a statement of changes in equity and a cash flow statement for each of the three most recently completed financial years ended more than 120 days before the date of the prospectus,
  - (b) a statement of financial position as at the end of the three most recently completed financial years described in paragraph (a),
  - (c) notes to the financial statements, and
  - (d) the auditor's report on the financial statements.
- (3) If the issuer has not completed three financial years, include the financial statements described under subsection (2) for each completed financial year ended more than 90 days before the date of the prospectus.
- (4) If the issuer has not included in the prospectus financial statements for a completed financial year, include the financial statements described under subsection (2) or (3) for a period from the date the issuer was formed to a date not more than 90 days before the date of the prospectus.
- (5) If an issuer changed its financial year end during any of the financial years referred to in this section and the transition year is less than nine months, the transition year is deemed not to be a financial year for the purposes of the requirement to provide financial statements for a specified number of financial years in this section.
- (6) Notwithstanding subsection (5), all financial statements of the issuer for a transition year referred to in subsection (5) must be included in the prospectus.
- (7) If financial statements of any predecessor entity, business or businesses acquired by the issuer, or of any other entity are required under this section, then include –
  - (a) statements of comprehensive income, statements of changes in equity and cash flow statements for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's statements of comprehensive income, statements of retained earnings, and cash flow statements are included in the prospectus, the results of the entities or businesses, either separately or on a consolidated basis, total three years,
  - (b) statement of financial positions for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's statement of financial positions are included in the prospectus, the financial position of the entities or businesses, either separately or on a consolidated basis, total three years,
  - (c) if the entities or businesses have not completed three financial years, the financial statements described under paragraphs (a) and (b) for each completed financial year of the entities or businesses for which the issuer's financial statements in the prospectus do not include the financial statements of the entities or businesses, either separately or on a consolidated basis, and ended more than 120 days before the date of the prospectus; and
  - (d) the auditors reports for the financial statements required by this subsection.

#### **Interim financial statements**

- (8) Include comparative interim financial statements of the issuer for the most recent interim period, if any, ended –
  - (a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus, and
  - (b) more than 45 days before the date of the prospectus.
- (9) The interim financial statements referred to in subsection (8) must include –

- (a) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year, if any,
  - (b) a statement of comprehensive income, a statement of changes in equity and a cash flow statement, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any,
  - (c) notes to the financial statements.
24. **Discussion of Financial Results (MD&A)** – Provide the management discussion and analysis in the form prescribed by Form 19 for the most recently completed financial year of the issuer for which audited financial statements are required.
25. **Consolidated Capitalization** – Provide a summary of the share and loan capital of the issuer and describe any material change in, and the effect of the material change on, the share and loan capital of the issuer, on a consolidated basis, since the date of the issuer's current annual financial statements, including any material change that will result from the distribution of the securities being offered under the prospectus.

### **INSTRUCTIONS**

*An issuer may provide the disclosure required by section 25 in a table showing in the first column consolidated capitalization as of the latest annual period for which financial statements have been prepared, then showing the same information in a second column to reflect any material changes since the date of those financial statements (if any) to the latest practical date before the date of the prospectus and finally, showing the same information in a third column as adjusted to reflect the offering (pro forma). If the only changes are those resulting from the offering, the second column can be omitted.*

### **26. Acquisition Since the Date of the Last Audited Annual Financial Statements**

- (1) If issuer has made a significant acquisition since the date of its last audited financial statements or the proceeds, or any part of the proceeds, of the securities to be issued is to be applied directly or indirectly to a significant acquisition, include –
  - (a) statements of comprehensive income for the acquired business for the preceding three fiscal years, certified by an approved auditor; and
  - (b) a statement of financial position, similarly certified, as of a date not more than 90 prior to the date of the prospectus or at the date of the acquisition if it took place more than ninety days before the filing of the prospectus.
- (2) For the purposes of this provision, a significant acquisition is the purchase of the securities or assets of another entity that is expected to contribute at least fifteen per cent (15%) to either the (a) net assets or (b) profit before taxation and extraordinary items of the issuer, measured as at the end of its last fiscal year prior to the acquisition.
- (3) In the case of a smaller acquisition of a business or assets, state brief details of the consideration paid or payable and how satisfied, the assets and liabilities and profits and losses for the last complete financial year of the entity acquired.

### **27. Financial Forecast**

- (1) 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) the assumptions upon which the forecast is based are disclosed.
- (2) Where a forecast is to be included in the prospectus, it shall be reported upon by the issuer's approved auditors who shall report on the assumptions on which the forecast is based, and for which the directors alone are responsible, the calculations and any other aspect which in the opinion of the auditors is relevant to investors.
- (3) The report of the auditors shall be set out in the prospectus.
- (4) For these purposes, a "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; and

- (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 an estimate that is prepared in the ordinary course of business and without reference to a specific distribution of securities.
28. **Accounting matters** – Describe any changes in and disagreements with accountants or auditors on accounting and financial disclosure. In the event that an independent auditor resigned or was dismissed over accounting or financial policies, or had offered an adverse, disclaimed, modified or qualified opinion, the issuer must set out details of the same.

### PART G – DIVIDENDS OR DISTRIBUTIONS

29. **Amount** – Disclose the amount of cash dividends or distributions declared per security for each class of the issuer's securities for each of the three most recently completed financial years and its current financial year.
30. **Restrictions** – Describe any restrictions that could prevent the issuer from paying dividends or distributions.
31. **Policy** – Disclose the issuer's dividend or distribution policy and any intended change in dividend or distribution policy.

### PART H – ISSUANCE OF THE SECURITIES

32. **Disclosure of Market Out for Firm Underwriting** – If securities are offered by an underwriter under a firm underwriting and the underwriter's obligations are subject to conditions, include a statement in substantially the following form, with the bracketed information completed and with grammatical and other modifications necessary to reflect the terms of the offering:
- "Under an agreement dated • between • [name of issuer or selling security holder] and • [name of underwriter], as underwriter, • [name of issuer/selling security holder] has agreed to sell and the underwriter has agreed to purchase on • [date] the securities at a price of •, payable in cash to • [name of issuer or selling security holder] against delivery. The obligations of the underwriter under the agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter is, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement."
33. **Best Efforts Offering** – Outline briefly terms and conditions governing the offering of any securities being offered other than on the basis described in section 32.
34. **Over-Allotments** – If the underwriter has any arrangement with the issuer, such as an over-allotment option, under which the underwriter may purchase additional securities in connection with the offering, indicate that this arrangement exists and state the amount of additional securities that the underwriter may purchase under the arrangement. Give a brief description of the securities.
35. **Minimum Offering** – If a minimum amount of funds is required under the issue and the securities are being offered on a best efforts basis, state the minimum needed and the maximum that could be raised. Also indicate that the offering will not continue for a period of more than 90 days after the date of the receipt for the prospectus if subscriptions representing the minimum amount of funds are not obtained within that period, unless each person who subscribed within that period consents to the continuation. State that until the closing of the offering, funds received from subscriptions will be held by a depository who is a licensed dealer, bank or trust company, and if the minimum amount of funds is not raised, the funds will be returned to the subscribers.
36. **Listing Application** – If application has been made to list or quote the securities being offered on a stock exchange, include a statement in substantially the following form with the bracketed information completed:
- "The issuer has applied to [list/quote] the securities offered under this prospectus on the [name of exchange or other market]. [Listing/Quotation] will be subject to the issuer fulfilling all the listing requirements of the [name of exchange or other market]."
37. **Conditional Listing Approval** – If application has been made to list or quote the securities being offered and conditional listing approval has been received, include a statement in substantially the following form, with the bracketed information completed:
- "The [name of exchange or other market] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of the issuer] fulfilling all of the requirements of the [name of exchange or market] on or before [date], [including offering of these securities to a minimum number of public security holders]."

## PART I – DESCRIPTION OF SECURITIES BEING OFFERED

38. **Equity Securities** – If equity securities are being offered, state the description or the designation of the class of the equity securities and describe all material attributes and characteristics of the securities including, as applicable, –
- (a) dividend rights;
  - (b) voting rights;
  - (c) rights upon dissolution or winding up;
  - (d) pre-emptive rights;
  - (e) conversion or exchange 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 security holder to contribute additional capital.
39. **Preferred Shares or Debt Securities**
- (1) If preferred shares are being offered, provide the information required by section 38 as applicable, as well as any information required by Part J of this Form.
  - (2) If debt securities are being offered provide the disclosure required by section 43 in lieu of the information set out in section 38.
40. **Other Securities** – If securities other than equity securities or debt securities are being offered, describe fully the material attributes and characteristics of those securities. Consult with the Commission to obtain information as to additional required disclosure.
41. **Modification of Terms** – Describe provisions as to modification, amendment or variation of any rights or other terms attached to the securities being offered. 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.
42. **Other Attributes**
- (1) If the rights attaching to the securities being offered 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 offered, include information about the other securities that will enable investors to understand the rights attaching to the securities being offered.
  - (2) If securities of the class being offered may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.
  - (3) List the documents (other than the securities laws or other legislation) that affect the rights of security holders and state that these have been filed with the Commission. State that copies are available from the issuer or any underwriter free of charge, and (if applicable) are available on the Internet. If the information is posted on a website, provide the complete web address.

### **INSTRUCTIONS**

*This Part requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being offered or any other class of securities do not need to be set out in full.*

## PART J – DEBT SECURITIES AND PREFERRED SHARES

43. **Debt Securities** – If debt securities are being offered, 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 subsidiaries 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.

#### 44. Earnings Coverage Ratios

- (1) If the securities being offered are preferred shares or debt securities having a term to maturity in excess of one year, disclose the following earnings coverage ratios adjusted in accordance with subsection (2) –
  - (a) the earnings coverage ratio based on the issuer's annual financial statements for its most recently completed financial year; and
  - (b) the earnings coverage ratio based on the 12-month period ended on the last day of the most recently completed period for which interim financial statements of the issuer have been included in the prospectus.
- (2) Adjust the ratios referred to in subsection (1) to reflect –
  - (a) the issuance of the securities being offered under the prospectus, based on the price at which these securities are expected to be offered;
  - (b) in the case of an offering of preferred shares;
    - (i) the issuance of all preferred shares issued since the date of the annual or interim financial statements; and
    - (ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed, or otherwise retired since the date of the annual or interim financial statements and of 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, as determined in accordance with International Financial Reporting Standards ("IFRS");
  - (d) the repayment, redemption or other retirement of all long-term financial liabilities, as determined in accordance with IFRS, 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 offered under the prospectus; and
  - (e) the servicing costs that were incurred, or are expected to be incurred, in relation to the adjustments.
- (3) If the earnings coverage ratio is less than one-to-one, disclose in the prospectus the dollar amount of the earnings required to achieve a ratio of one-to-one.
- (4) If the prospectus includes a pro forma statement of comprehensive income, calculate the pro forma earnings coverage ratio and disclose it in the prospectus.

#### **INSTRUCTIONS**

- (1) *Cash flow coverage may be disclosed but only as a supplement to earnings coverage and only if the method of calculation is fully disclosed.*
- (2) *Earnings coverage is calculated by dividing an entity's earnings (the numerator) by its interest and dividend obligations (the denominator).*
- (3) *For the earnings coverage calculation –*
  - (a) *the numerator should be calculated using consolidated net income before interest and income taxes,*
  - (b) *imputed interest income from the proceeds of an offering should not be added to the numerator,*
  - (c) *an issuer may also present, as supplementary disclosure, a coverage calculation based on earnings before discontinued operations and extraordinary items,*
  - (d) *for offerings of debt securities, the appropriate denominator is interest expense determined in accordance with IFRS, after giving effect to the new debt issue and any retirement of obligations, plus the amount of interest that has been capitalized during the period,*
  - (e) *for offerings of preferred shares*
    - (i) *the appropriate denominator is dividends declared during the period, together with undeclared dividends on cumulative preferred shares, after giving effect to the new preferred share issue, plus the*

- issuer's annual interest requirements, including the amount of interest that has been capitalized during the period, less any retirement of obligations, and*
- (ii) *dividends should be grossed-up to a before-tax equivalent using the issuer's effective income tax rate, and*
- (f) *for offerings of both debt securities and preferred shares, the appropriate denominator is the same as for a preferred share issue, except that the denominator should also reflect the effect of the debt being offered pursuant to the prospectus.*
- (4) *The denominator represents a pro forma calculation of the aggregate of an issuer's interest obligations on all long-term debt and dividend obligations (including both dividends declared and undeclared dividends on cumulative preferred shares) with respect to all outstanding preferred shares, as adjusted to reflect –*
- (a) *the issuance of all long-term debt and, in addition in the case of a distribution of preferred shares, all preferred shares issued, since the date of the annual or interim financial statements,*
- (b) *the issuance of the securities that are being offered under the prospectus, based on a reasonable estimate of the price at which these securities will be offered,*
- (c) *the repayment or redemption of all long-term debt since the date of the annual or interim financial statements, all long-term debt to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus and, in addition, in the case of a distribution of preferred shares, all preferred shares repaid or redeemed since the date of the annual or interim financial statements and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus, and*
- (d) *the servicing costs that were incurred, or will be incurred, in relation to the above adjustments.*
- (5) *For debt securities, disclosure of earnings coverage shall include language similar to the following–*
- “[Name of the issuer]'s interest requirements, after giving effect to the issue of [the debt securities being offered under the prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]'s earnings before interest and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]'s interest requirements for this period.”*
- (6) *For preferred share issues, disclosure of earnings coverage shall include language similar to the following –*
- “[Name of the issuer]'s dividend requirements on all of its preferred shares, after giving effect to the issue of [the preferred shares being offered under the prospectus], and adjusted to a before-tax equivalent using an effective income tax rate of •%, amounted to \$• for the 12 months ended •. [Name of the issuer]'s interest requirements for the 12 months then ended amounted to \$•. [Name of the issuer]'s earnings before interest and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]'s aggregate dividend and interest requirements for this period.”*
- (7) *If the earnings coverage ratio is less than one-to-one, disclose the dollar amount of the coverage deficiency (i.e. the dollar amount of earnings required to attain a ratio of one-to-one).*
- (8) *Other earnings coverage calculations may be included as supplementary disclosure to the required earnings coverage calculations outlined above as long as their derivation is disclosed and they are not given greater prominence than the required earnings coverage calculations.*
45. **Credit Ratings** – If any credit ratings have been received from an approved rating organization for the securities being offered and the 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 being offered;
- (c) a definition or description of the category in which each approved rating organization rated the securities being offered and the relative rank of each rating within the organization's classification system;
- (d) an explanation of what the rating addresses and what attributes, if any, of the securities being offered 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 being offered;
- (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 agency; and

- (g) any announcement made by, or any proposed announcement known to the issuer to be 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 paragraph.

#### **PART K – SELLING SECURITY HOLDER**

46. **Selling Security Holder** – If any of the securities are being offered for the account of a selling security holder, state the following –
- (a) the name and address of the security holder;
  - (b) the number or amount of securities of the class being offered presently owned by the security holder;
  - (c) the number or amount of securities of the class being offered for the account of the security holder;
  - (d) the number or amount of securities of the issuer of any class to be owned by the security holder after the offering, and the percentage that number or amount represents of the total outstanding; and
  - (e) whether the securities referred to in paragraph (b), (c) or (d) are owned both of record and beneficially, of record only, or beneficially only.

#### **PART L – UNDERWRITER CONFLICTS OF INTEREST**

47. **Relationship between Issuer or Selling Security Holder and Underwriter** – If the issuer or selling security holder is one of the underwriters or an associate or affiliate of an underwriter, or if the issuer or selling security holder is indebted to an underwriter or an associate or affiliate of an underwriter, provide the information required by Appendix A.

#### **PART M – INTEREST OF EXPERTS**

48. **Names of Experts** – Provide the name and address of each person –
- (a) who is named as having prepared or certified a statement, report or valuation in the prospectus or an amendment to the prospectus; and
  - (b) whose profession or business gives authority to the statement, report or valuation made by the person.
49. **Interest of Experts**
- (1) Disclose all registered or beneficial interests, direct or indirect, in any securities or other property of the issuer or of one of the issuer's associates or affiliates –
    - (a) held by an expert named in section 48 and, if the expert is not an individual, by the designated professionals of that expert, when that expert prepared the report, valuation, statement or opinion referred to in paragraph 48(a);
    - (b) received by an expert named in section 48 and, if the expert is not an individual, by the designated professionals of that expert after the time specified in paragraph (a); or
    - (c) to be received by an expert named in section 48 and, if the expert is not an individual, by the designated professionals of that expert.
  - (2) For the purposes of subsection (1), a "designated professional" means, in relation to an expert named in section 48, –
    - (a) each partner, employee or consultant of the expert who participated in and who was in a position to directly influence the preparation of the report, valuation, statement or opinion referred to in paragraph 48(a); and
    - (b) each partner, employee or consultant of the expert who was, at any time during the preparation of the report, valuation, statement or opinion referred to in paragraph 48(a), in a position to directly influence the outcome of the preparation of the report, valuation, statement or opinion, including, without limitation –
      - (i) any person who recommends the compensation of, or who provides direct supervisory, management or other oversight of, the partner, employee or consultant in the performance of the preparation of the report, valuation, statement or opinion referred to in paragraph 48(a), including those at all successively senior levels through to the expert's chief executive officer;
      - (ii) any person who provides consultation regarding technical or industry specific issues, transactions or events for the preparation of the report, valuation, statement or opinion referred to in paragraph 48(a); and

- (iii) any person who provides quality control for the preparation of the report, valuation, statement or opinion referred to in paragraph 48(a).
- (3) For the purposes of subsection (1), if the person's or company's interest in the securities represents less than one per cent of the issuer's outstanding securities of the same class, a general statement to that effect is sufficient.
- (4) Despite subsection (1), an auditor who is independent in accordance with the auditor's rules of professional conduct in the jurisdiction is not required to provide the disclosure in subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor's rules of professional conduct.
- (5) If a person or a director, officer or employee of a person or company referred to in subsection (1) is or is expected to be elected, appointed or employed as a director, officer or employee of the issuer or of any associate or affiliate of the issuer, disclose the fact or expectation.

50. **Exemption** – Section 49 does not apply to –

- (a) auditors of a business acquired by the issuer provided they have not been or will not be appointed as the issuer's auditor subsequent to the acquisition, and
- (b) the issuer's predecessor auditors, if any, for periods when they were not the issuer's auditor.

### PART N – PROMOTERS

51. **Promoters** – For a person that is, or has been within the two years immediately preceding the date of the preliminary prospectus, a promoter of the issuer or of a subsidiary of the issuer state –

- (a) the person's name and address;
- (b) the number and percentage of each class of voting securities and equity securities of the issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised by the person;
- (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter, directly or indirectly, from the issuer or from a subsidiary of the issuer, and the nature and amount of any assets, services or other consideration received or to be received by the issuer or a subsidiary of the issuer in return; and
- (d) for an asset acquired by the issuer or by a subsidiary of the issuer from a promoter within the two years before the date of the preliminary prospectus or to be so acquired –
  - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined;
  - (ii) the person making the determination referred to in subparagraph (i) and the person's relationship with the issuer, the promoter, or an affiliate of the issuer or of the promoter; and
  - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

### PART O – DIRECTORS AND SENIOR OFFICERS

52. **Identification** – State the following with respect to each director and senior officer of the issuer –

- (a) name, occupation and professional qualifications;
- (b) summary of business and management experience;
- (c) designation and functions;
- (d) beneficial security holdings (both direct and indirect) in the issuer; and
- (e) directorships and major security holdings in any public issuer in the three years immediately preceding the date of the prospectus.

53. **Compensation**

- (1) State the aggregate cash remuneration and other cash or non-cash benefits paid to the directors and senior officers of the issuer for services rendered in all capacities to the issuer for the last past two years, the current year and any future commitments of the issuer in tabular format identifying the number of directors and senior officers at each of the following compensation levels –
  - (a) zero to five hundred thousand dollars
  - (b) five hundred thousand dollars to one million dollars
  - (c) one million dollars to two million dollars; and

- (d) Greater than two million dollars.
  - (2) Report the aggregate amounts of remuneration waived or deferred for each of the previous two years and the current year.
  - (3) Report the cash and non-cash remuneration separately.
  - (4) Remuneration shall include, without limitation, cash, bonuses, securities, options, insurance, pensions, the payment of any expenses including housing, automobiles, lodging, relocation etc., reimbursements of any kind, non-cash gifts, forgiveness of debts and extension of loans.
54. **Audit Committee** – Disclose the members of the audit committee of the issuer.
55. **Key Employees** – For each key employee<sup>1</sup> 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.
56. **Regulatory History etc.** – For each person identified in the prospectus as a promoter, director, senior officer or key employee, disclose the following in respect of each person –
- (a) if a petition under any bankruptcy or insolvency law 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 in any jurisdiction in the ten years immediately preceding the date of the prospectus, or is a named subject of a pending criminal proceeding in any jurisdiction; 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 a market actor (or equivalent) or as a director or employee of an issuer or 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.
57. **Relationships** – Provide full details of any relationships or associations between the major security holders, promoters, directors, senior officers or key employees. This should include information direct and indirect security holdings in the issuer of directors and significant security holders before and after the distribution.
58. **Employment Agreements** – Provide a summary of any existing or proposed service, management, or employment agreements between the issuer and its directors, senior officers and key employees.
59. **Large Security holders** – Disclose at least the following information about any security holder who beneficially owns in excess of ten percent of any class of securities of the issuer –
- a) name of security holder;
  - 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.

## PART P –RELATED PARTY TRANSACTIONS

60. **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

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<sup>1</sup> Key employees include personnel may not hold an officer title but who make or are expected to make significant contributions to the business of the company – such as senior software designers at a computer software company.

- (f) any future transactions involving the parties.
  - (2) Provide full details of and discuss any conflict of interest or potential conflict of interest between the issuer and any of its directors, senior officers, key employees, or security holders.
  - (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 Regulations.
61. **Loans to a director of affiliate or the issuer** – Provide the names and relevant particulars of any loan in excess of ten thousand dollars to any senior officer, director, security holder, or person directly or indirectly controlling or controlled by the issuer.

#### **PART Q – REPORT OF THE DIRECTORS**

62. **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, –
- (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.

#### **PART R – OTHER REQUIRED DISCLOSURE**

63. **Legal Proceedings** – 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, 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.
64. **Transfer Agent and Registrar** – If securities are to be distributed, state the names and addresses of the transfer agent(s) and registrar(s) of the issuer and the location of the register(s) of transfers of that class of securities.
65. **Register of Securities** – If securities, other than equity or preferred shares, are to be distributed, state the location of each register on which transfers of the securities may be recorded.
66. **Constituting Documents** – 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,
- provide a summary of such terms and provisions.
67. **Optioned Securities** – 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 security holders 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 individual grantees.

68. **Rights Offerings** – 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 security holders of the issuer.
69. **Convertible Debt** – 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.
70. **Share Ownership Schemes** – If the issuer has a share ownership scheme for participation by employees, disclose details of the scheme.

#### **PART S – OTHER MATERIAL FACTS**

71. **Other Material Facts** – Give particulars of any material facts about the securities being offered that are not disclosed under any other items and are necessary in order for the prospectus to contain full, true and plain disclosure of all material information relating to the securities being offered, and not to make any misrepresentation likely to affect the value or market price of the securities.

#### **PART T – PURCHASER’S STATUTORY RIGHTS**

72. **Statutory Rights of Withdrawal and Rescission** – Include the statement of rights given to a purchaser of securities in the form set out below:

“The Securities Industry Act, 200[7], as amended, and the regulations made under the Act, provide a purchaser 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, 200[7], as amended, and the regulations made under that Act, for the particulars of these rights or consult with a legal adviser.”

#### **PART U – MATERIAL CONTRACTS AND DOCUMENTS AVAILABLE FOR INSPECTION**

73. **Material Contracts** – 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 The Bahamas 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. Any management contract or contract providing for special bonuses or profit-sharing arrangements shall be deemed a material contract.
74. **Documents to be Made Available for Inspection**
- (1) Identify the documents to be made available by the issuer for inspection pursuant to regulation 97(2). (These documents are listed in section 4 of Appendix B.)
  - (2) State a reasonable time and place in The Bahamas at which the documents set forth in paragraph (1) may be inspected, without charge, during the period of distribution of the securities under the prospectus.

#### **PART V – CERTIFICATES**

75. **Certificates** – Include the certificates required under sections 100 [*Prospectus*] or 105 [*Amendment to prospectus*] of the Regulation.
76. **Date of Certificates** – The certificates in a preliminary prospectus, a final prospectus or an amendment to a preliminary or final prospectus must be dated not more than two business days before the date of filing the preliminary prospectus, final prospectus or amendment, as applicable.

**WARNING: Intentional misstatement or failure to disclose information may constitute an offence.**

**Fee must be submitted with all prospectuses. The appropriate fees can be found in the Fee Rule.**

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**Appendix A to Form 16**  
**Underwriter Conflicts Of Interest**

**Required Information for Front Page of the Prospectus**

1. A statement in bold type, naming each underwriter that the issuer or the selling security holder is an associate or affiliate of, or indebted to.
2. A summary of the basis on which paragraph 1 applies to the distribution.
3. A cross-reference to the applicable section in the body of the prospectus where further information concerning the relationship between the issuer or selling security holder and underwriter is provided.

**Required Information for the Body of the Prospectus**

4. A statement naming each underwriter that the issuer or the selling security holder is an associate or affiliate of, or indebted to.
5. The basis on which the issuer or selling security holder is an associate or affiliate of each underwriter referred to in paragraph 4.
6. If the issuer or selling security holder or an associate or affiliate is indebted to the underwriter or an associate or affiliate of the underwriter, provide –
  - (a) the amount of the indebtedness;
  - (b) the extent to which the issuer or selling security holder is in compliance with the terms of the agreement governing the indebtedness;
  - (c) the extent to which a related issuer has waived a breach of the agreement since its execution;
  - (d) the nature of any security for the indebtedness; and
  - (e) the extent to which the financial position of the issuer or selling security holder or the value of the security has changed since the indebtedness was incurred.
7. Disclosure as to whether the issue was required, suggested or consented to by the underwriter or an associate or affiliate of the underwriter and, if so, on what basis.
8.
  - (a) Information about the extent to which the proceeds of the issue will be applied, directly or indirectly, for the benefit of the underwriter or an associate or affiliate of the underwriter, or
  - (b) If the proceeds will not be applied for the benefit of the underwriter or an associate or affiliate of the underwriter, a statement to that effect.
9. If a portion of the proceeds of the distribution is to be directly or indirectly applied to or towards the payment of indebtedness referred to in paragraph 6, particulars of the indebtedness or securities in respect of which the payment is to be made and of the payment proposed to be made.
10. Any other material facts with respect to the relationship between the issuer and the underwriter that could negatively affect the impartiality of the underwriter.

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**Appendix B to Form 16**

**Materials to be Provided to the Commission and Made Available for Public Inspection**

- |  |  |
|--|--|
| Materials to be provided with preliminary prospectus | <ol style="list-style-type: none"> <li>1. (1) An issuer that files a preliminary prospectus shall –           <ol style="list-style-type: none"> <li>(a) file the following with the preliminary prospectus –               <ol style="list-style-type: none"> <li>(i) a signed copy of the preliminary prospectus;</li> <li>(ii) a certificate, dated as of the date of the preliminary prospectus, executed on behalf of the issuer by one of its executive officers certifying that the issuer is in full compliance with the requirements of all applicable securities legislation, and that offering will not result in a breach or violation of securities legislation; and</li> <li>(iii) a copy of each report or valuation referred to in the preliminary prospectus for which a consent is required to be filed under regulation 102; and</li> </ol> </li> </ol> </li> </ol> |
|--|--|

- (b) deliver to the Commission, concurrently with the filing of the preliminary prospectus, the experts' consents required to be filed under regulation 102.
- (2) The following documents shall be filed with the preliminary prospectus –
- (a) a copy of any agreement made with an underwriter;
  - (b) a copy of the legal opinion or opinions regarding the legality of the issue;
  - (c) a copy of all material contracts referred to in section 73 of this Form, but no disclosure shall be required of any portion of any such contract if the Commission determines that disclosure of such portion would impair the value of the contract and would not be necessary for the protection of investors;
  - (d) a certified copy of the issuer's memorandum and articles of association;
  - (e) a copy of underlying agreements or indentures affecting any stock, bonds or debentures offered or to be offered; and
  - (f) copies of any other documents the Commission deems necessary.
- (3) The fee specified in the Fee Rule must be submitted with the preliminary prospectus.
- Materials to be provided with final prospectus
2. An issuer that files a prospectus in final form shall –
- (a) file the following with the prospectus –
    - (i) a signed copy of the prospectus;
    - (ii) a copy of each document referred to in section 1(2) that relate to the securities being issued, and that have not previously been filed;
    - (iii) a copy of each opinion, report or valuation referred to in the prospectus, for which a consent is required to be filed under regulation 102 and that has not previously been filed; and
    - (iv) A submission to jurisdiction and appointment of agent for service of process of the issuer in the form set out in Appendix C, if an issuer is incorporated or organized in a foreign jurisdiction and does not have an office in The Bahamas;
    - (v) A submission to jurisdiction and appointment of agent for service of process of the selling security holder or promoter, as applicable, in the form set out in Appendix D, if a selling security holder or promoter of an issuer is incorporated or organized under a foreign jurisdiction and does not have an office in The Bahamas or is an individual who resides outside of The Bahamas; and
    - (vi) the experts' consents required to be filed under regulation 102;
  - (b) deliver to the Commission at least two business days before filing of the prospectus in final form, blacklined copies of the prospectus showing all changes from the preliminary prospectus; and
  - (c) deliver to the Commission the appropriate fee as set out in the Fee Rule.
- Required documents for an amendment
3. An issuer that files an amendment to a preliminary prospectus or prospectus shall –
- (a) file a signed copy of the amendment;
  - (b) deliver to the Commission a copy of the amended preliminary prospectus or prospectus blacklined to show the changes;
  - (c) file or deliver any supporting documents required to be filed or delivered with a prospectus unless the documents originally filed or delivered with the prospectus are correct as of the date the amendment is filed;
  - (d) file any consent letter required to be filed with a prospectus, dated as of the date of the amendment; and
  - (e) file the appropriate fee as set out in the Fee Rule.
- Documents to be available for public inspection
4. Copies of the following documents must be made available for public inspection during normal business hours at a place in The Bahamas throughout the period of distribution of the securities under the prospectus –
- (a) a copy of any agreement made with an underwriter;

- (b) a copy of the legal opinion or opinions in respect to the legality of the issue;
- (c) a copy of all the relevant opinions of experts contained in this Form;
- (d) a copy of all material contracts referred to in section 73 of this Form, but no disclosure shall be required of any portion of any such contract if the Commission determines that disclosure of such portion would impair the value of the contract and would not be necessary for the protection of investors;
- (e) a certified copy of the issuer's memorandum and articles of association;
- (f) a copy of underlying agreements or indentures affecting any securities, bonds or debentures offered or to be offered; and
- (g) copies of any other documents the Commission deems necessary.

### Appendix C to Form 16

#### Submission to Jurisdiction and Appointment of Agent for Service of Process – Issuer

1. Name of issuer:

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2. Jurisdiction of incorporation of issuer:

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3. Address of principal place of business of issuer:

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

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

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

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7. Address for service of process on Agent for Service in The Bahamas:

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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 The Bahamas 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 The Bahamas.

Dated: \_\_\_\_\_:

[Issuer]

By: \_\_\_\_\_

[Name and Title]

The undersigned accepts the appointment as Agent for Service of process of

\_\_\_\_\_  
[Name of Issuer]

pursuant to the terms and conditions of the foregoing Appointment of Agent for Service of Process.

Dated: \_\_\_\_\_

[Agent]

By: \_\_\_\_\_

(Print the name of person signing and, if the Agent is not an individual, the title of the person signing on behalf of the Agent.)

**Appendix D to Form 16**  
**Submission to Jurisdiction and Appointment of Agent for Service of Process**  
**Selling Security Holder or Promoter**

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") being distributed:

\_\_\_\_\_

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

\_\_\_\_\_

6. Name of Selling Security Holder or Promoter Filing Form ("Filer") & Relationship to Issuer:

\_\_\_\_\_

7. Jurisdiction of Incorporation or Residence of Filer:

\_\_\_\_\_

8. Address of Filer:

\_\_\_\_\_

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

\_\_\_\_\_

10. Address for service of process on Agent for Service in The Bahamas:

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11. The Filer 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.

12. The Filer irrevocably and unconditionally submits to the non-exclusive jurisdiction of The Bahamas 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.

13. This Submission to Jurisdiction and Appointment of Agent for Service of Process shall be governed by and construed in accordance with the laws of The Bahamas.

Dated: \_\_\_\_\_: \_\_\_\_\_:  
[Filer]

By: \_\_\_\_\_  
[Name and Title]

The undersigned accepts the appointment as Agent for Service of process of

\_\_\_\_\_  
[Name of Filer]

pursuant to the terms and conditions of the foregoing Appointment of Agent for Service of Process.

Dated: \_\_\_\_\_: \_\_\_\_\_:  
[Agent]

By: \_\_\_\_\_

(Print the name of person signing and, if the Agent is not an individual, the title of the person signing on behalf of the Agent.)

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### Form 17

#### Notice of Exempt Transaction

(under section 116 of the Regulations)

#### Item 1 – Name and Address of Issuer and Vendor

State the name of the issuer of the securities, and include its business address and jurisdiction of incorporation or organization. If the vendor is other than the issuer, provide the vendor's name, address and jurisdiction of incorporation or organization, if relevant.

#### Item 2 – Date of Transaction(s)

State the date or dates the transactions closed/took place.

#### Item 3 – Nature of Transaction

Indicate the exemption used for the transaction.

**Item 4 – Summary of Transaction**

Provide a summary of the transaction, including type of securities issued, number or principal amount of securities issued, terms, etc.

**Item 5 – Investors**

Provide names, addresses and purchase amounts for each investor. Attach evidence that each investor is an accredited investor, if required for the exemption used.

**Item 6 – Senior Officer**

Give the name, business telephone number and email address of the vendor (if an individual) or a senior officer of the issuer or vendor who is knowledgeable about the transaction, and who may be contacted to discuss it.

**Item 7 – Date the Report****Item 8 – Certification and Signature**

Include the signature of the person identified in Item 6, confirming the Notice, and certifying the following statement:

“I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.”

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

**A fee must be submitted with this form. The appropriate fee can be found in the Fee Rule.**

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**Form 18****Annual Report**

(under section 122 of the Regulations)

**Item 1 – Name and Address of Public Issuer**

Include the full corporate name of the issuer or, if the issuer is an unincorporated entity, the full name under which the entity exists and carries on business. Include the issuer’s address and telephone number of the issuer’s registered office, head or management office, its e-mail address, its website address and its jurisdiction of incorporation or organization.

**Item 2 – Annual Financial Statements and Auditor's Report**

Include the latest audited annual financial statement of the issuer prepared as required under the Act.

**Item 3 – Management Discussion and Analysis of Financial Condition and Operating Performance**

Include the latest Management Discussion and Analysis prepared as required..

**Item 4 – Report from the Board of Directors**

Provide a report from the Board of Directors containing an overview of the performance of the issuer and its prospects.

**Item 5 – Information on Directors and Officers**

For each director of the issuer, provide his or her name, current principal occupation and any prior occupation during the past 5 years and the periods that the director served as a director of the issuer.

For each senior officer of the issuer, provide his or her name, current position with the issuer and any prior occupation, with the issuer or otherwise, during the past 5 years.

**Item 6 – Information on any Holding Company or Material Subsidiaries**

Provide the names, addresses and jurisdiction of incorporation of the holding company, if any, and any material subsidiary of the public issuer.

**Item 7 – Advisors and Service Providers**

Provide the names and addresses of the legal advisors, auditors, principal bankers, registrar and transfer agent(s) and any other significant service providers to the issuer.

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

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**Form 19**  
**Management Discussion and Analysis**  
(under section 123 of the Regulations)

**GENERAL PROVISIONS**

**(a) What is Management Discussion and Analysis?**

Management discussion and analysis ("MD&A") is a narrative explanation, through the eyes of management, of how the issuer performed during the period covered by the financial statements and of the issuer's financial condition and future prospects. MD&A complements and supplements the issuer's financial statements, but does not form part of the financial statements.

The objective when preparing the MD&A should be to improve the issuer's overall financial disclosure by giving a balanced discussion of the issuer's results of operations and financial condition including, without limitation, such considerations as liquidity and capital resources - openly reporting bad news as well as good news. The MD&A should –

- help current and prospective investors understand what the financial statements show and do not show;
- discuss material information that may not be fully reflected in the financial statements, such as contingent liabilities, defaults under debt, off-balance sheet financing arrangements, or other contractual obligations;
- discuss important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future; and
- provide information about the quality, and potential variability, of the issuer's earnings and cash flow, to assist investors in determining if past performance is indicative of future performance.

**(b) Date of Information**

In preparing the MD&A, the issuer should take into account information available up to the date of the MD&A. If the date of the MD&A is not the date it is filed, ensure the disclosure in the MD&A is current so that it will not be misleading when it is filed.

**(c) Explain the Analysis**

Explain the nature of, and reasons for, changes in the issuer's performance. Do not simply disclose the amount of change in a financial statement item from period to period. Avoid using boilerplate language. The discussion should assist the reader to understand trends, events, transactions and expenditures.

**(d) Focus on Material Information**

Focus the MD&A on material information. There is no need to disclose information that is not material. Exercise judgment when determining whether information is material.

**(e) What is Material?**

Would a reasonable investor's decision whether or not to buy, sell or hold securities in the issuer likely be influenced or changed if the information in question was omitted or misstated? If so, the information is likely material. This concept of materiality is consistent with the financial reporting notion of materiality under generally accepted accounting principles.

**(f) Forward-Looking Information**

Issuers are encouraged to provide forward-looking information if there is a reasonable basis for making the statements. Preparing the MD&A necessarily involves some degree of prediction or projection. For example, MD&A requires a discussion of known trends or uncertainties that are reasonably likely to affect the issuer's business. However, MD&A does not require that the issuer provide a detailed forecast of future revenues, income or loss or other information.

All forward-looking information must contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward-looking information, the material assumptions and appropriate risk disclosure and cautionary language.

The issuer must discuss any forward-looking information disclosed in the MD&A for a prior period which, in light of intervening events and absent further explanation, may be misleading. Examples include statements that were unreasonably optimistic or aggressive, lacked objectivity or were not adequately explained. The issuer's timely

disclosure obligations might also require that the issuer publish a news release and file a material change report in these circumstances.

**(g) Development Stage Issuers Without Significant Revenues**

If the issuer is in its development stage and does not have significant revenues from operations, focus the discussion and analysis of results of operations on expenditures and progress towards achieving the business objectives and milestones of the issuer.

**(h) Numbering and Headings**

The numbering, headings and ordering of items included in this Form are guidelines only. There is no need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

**(i) Omitting Information**

There is no need to respond to any item in this Form that is inapplicable.

**(j) Defined Terms**

If a term is used but not defined in this Form, refer to the Securities Industry Act, 200[9] and the Securities Industry Regulations 200[9].

**(k) Plain Language**

Write the MD&A so that readers are able to understand it. If technical terms are used, explain them in a clear and concise manner.

**CONTENT OF ANNUAL MD&A**

**Item 1 – Date**

Specify the date of the issuer's MD&A. The date of the MD&A must be no earlier than the date of the auditor's report on the financial statements for the issuer's most recently completed financial year.

**Item 2 – Overall Performance**

Provide an analysis of the issuer's financial condition, results of operations and cash flows. Discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on the issuer's business. Compare the issuer's performance in the most recently completed financial year to the prior year's performance. The analysis should address at least the following –

- (a) operating segments that are reportable segments as those terms are used in generally accepted accounting principles;
- (b) other parts of the issuer's business if –
  - (i) they have a disproportionate effect on revenues, income or cash needs; or
  - (ii) there are any legal or other restrictions on the flow of funds from one part of the issuer's business to another;
- (c) industry and economic factors affecting the issuer's performance;
- (d) why changes have occurred or expected changes have not occurred in the issuer's financial condition and results of operations; and
- (e) the effect of discontinued operations on current operations.

**INSTRUCTIONS**

*When explaining changes in the issuer's financial condition and results, include an analysis of the effect on continuing operations of any acquisition, disposition, write-off, abandonment or other similar transaction.*

*Financial condition reflects the overall health of the company and includes the issuer's financial position (as shown on the balance sheet) and other factors that may affect the issuer's liquidity, capital resources and solvency. A discussion of financial condition should include important trends and risks that have affected the financial statements and trends and risks that are reasonably likely to affect them in the future.*

*Include information for a period longer than two financial years if it will help the reader to understand a trend better.*

### Item 3 – Selected Annual Information

Provide the following financial data derived from the issuer's financial statements for each of the three most recently completed financial years –

- (a) net sales or total revenues;
- (b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis;
- (c) net income or loss, in total and on a per-share and diluted per-share basis;
- (d) total assets;
- (e) total long-term financial liabilities; and
- (f) cash dividends declared per-share for each class of share.

Discuss the factors that have caused period to period variations including discontinued operations, changes in accounting policies, significant acquisitions or dispositions and changes in the direction of the business. Include in the discussion any other information the issuer believes would enhance an understanding of, and would highlight trends in, financial condition and results of operations.

#### *INSTRUCTION*

*Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial statements have been reconciled to or from foreign accounting principles, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.*

### Item 4 – Results of Operations

Discuss the analysis of the issuer's operations for the most recently completed financial year, including –

- (a) net sales or total revenues by operating business segment, including any changes in such amounts caused by selling prices, volume or quantity of goods or services being sold or the introduction of new products or services;
- (b) any other significant factors that caused changes in net sales or total revenues;
- (c) cost of sales or gross profit;
- (d) for issuers that have significant projects that have not yet generated operating revenue, describe each project, including the issuer's plan for the project and the status of the project relative to that plan, and expenditures made and how these relate to anticipated timing and costs to take the project to the next stage of the project plan;
- (e) factors that caused a change in the relationship between costs and revenues, including changes in costs of labour or materials, price changes or inventory adjustments;
- (f) commitments, events, risks or uncertainties that the issuer reasonably believes will materially affect the issuer's future performance including net sales, total revenue and income or loss before discontinued operations and extraordinary items;
- (g) effect of inflation and specific price changes on the issuer's net sales and total revenues and on income or loss before discontinued operations and extraordinary items;
- (h) a comparison in tabular form of disclosure made previously about how the issuer was going to use proceeds (other than working capital) from any financing, an explanation of variances and the impact of the variances, if any, on the issuer's ability to achieve its business objectives and milestones; and
- (i) unusual or infrequent events or transactions.

#### *INSTRUCTION*

*The discussion under paragraph (d) of Item 4 should include –*

- (i) whether or not the issuer plans to expend additional funds on the project; and*
- (ii) any factors that have affected the value of the project(s) such as change in commodity prices, land use or political or environmental issues.*

## Item 5 – Summary of Quarterly Results

Provide the following information in summary form, derived from the issuer's financial statements, for each of the eight most recently completed quarters –

- (a) net sales or total revenues;
- (b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis; and
- (c) net income or loss, in total and on a per-share and diluted per-share basis.

Discuss the factors that have caused variations over the quarters necessary to understand general trends that have developed and the seasonality of the business.

### *INSTRUCTIONS*

*In the case of the annual MD&A, the most recently completed quarter is the quarter that ended on the last day of the most recently completed financial year.*

*The issuer does not have to provide information for a quarter prior to the issuer becoming a public issuer if the issuer has not prepared financial statements for those quarters.*

*For Items 2, 3, 4 and 5 consider identifying, discussing and analyzing the following factors –*

- (A) changes in customer buying patterns, including changes due to new technologies and changes in demographics;*
- (B) changes in selling practices, including changes due to new distribution arrangements or a reorganization of a direct sales force;*
- (C) changes in competition, including an assessment of the issuer's resources, strengths and weaknesses relative to those of its competitors;*
- (D) the effect of exchange rates;*
- (E) changes in pricing of inputs, constraints on supply, order backlog, or other input-related matters;*
- (F) changes in production capacity, including changes due to plant closures and work stoppages;*
- (G) changes in volume of discounts granted to customers, volumes of returns and allowances, excise and other taxes or other amounts reflected on a net basis against revenues;*
- (H) changes in the terms and conditions of service contracts;*
- (I) the progress in achieving previously announced milestones;*
- (J) for resource issuers with producing mines, identify changes to cash flow caused by changes in production throughput, head-grade, cut-off grade, metallurgical recovery and any expectation of future changes; and*
- (K) if the issuer has an equity investee that is significant to the issuer, the nature of the investment and significance to the issuer.*

*Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial statements have been reconciled to or from foreign accounting principles, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.*

## Item 6 – Liquidity

Provide an analysis of the issuer's liquidity, including –

- (a) its ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to maintain the issuer's capacity, to meet the issuer's planned growth or to fund development activities;
- (b) trends or expected fluctuations in the issuer's liquidity, taking into account demands, commitments, events or uncertainties;
- (c) its working capital requirements;
- (d) liquidity risks associated with financial instruments;

- (e) if the issuer has or expects to have a working capital deficiency, discuss its ability to meet its obligations as they become due and how the issuer expects to remedy the deficiency;
- (f) balance sheet conditions or income or cash flow items that may affect the issuer's liquidity;
- (g) legal or practical restrictions on the ability of subsidiaries to transfer funds to the issuer and the effect these restrictions have had or may have on the ability of the issuer to meet its obligations; and
- (h) defaults or arrears or significant risk of defaults or arrears on –
  - (i) dividend payments, lease payments, interest or principal payment on debt;
  - (ii) debt covenants; and
  - (iii) redemption or retraction or sinking fund payments,
 and how the issuer intends to cure the default or arrears or address the risk.

### INSTRUCTIONS

*In discussing the issuer's ability to generate sufficient amounts of cash and cash equivalents, describe sources of funding and the circumstances that could affect those sources that are reasonably likely to occur. Examples of circumstances that could affect liquidity are market or commodity price changes, economic downturns, defaults on guarantees and contractions of operations.*

*In discussing trends or expected fluctuations in the issuer's liquidity and liquidity risks associated with financial instruments discuss –*

- (A) *provisions in debt, lease or other arrangements that could trigger an additional funding requirement or early payment. Examples of such situations are provisions linked to credit rating, earnings, cash flows or share price; and*
- (B) *circumstances that could impair the issuer's ability to undertake transactions considered essential to operations. Examples of such circumstances are the inability to maintain investment grade credit rating, earnings per-share, cash flow or share price.*

*In discussing the issuer's working capital requirements discuss situations where the issuer must maintain significant inventory to meet customers' delivery requirements or any situations involving extended payment terms.*

*In discussing the issuer's balance sheet conditions or income or cash flow items, present a summary, in table form, of contractual obligations including payments due for each of the next five years and thereafter. An example of a table that may be adapted to the issuer's particular circumstances follows:*

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Long Term Debt					
Capital Lease Obligations					
Operating Leases					
Purchase Obligations <sup>1</sup>					
Other Long Term Obligations <sup>2</sup>					
Total Contractual Obligations					

<sup>1</sup> "Purchase Obligation" means an agreement to purchase goods or services that is enforceable and legally binding on the issuer that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

<sup>2</sup> "Other Long Term Obligations" means other long-term liabilities reflected on the issuer's balance sheet.

*The table may be accompanied by footnotes to describe provisions that create, increase or accelerate obligations or other details to the extent necessary for an understanding of the timing and amount of the issuer's specified contractual obligations.*

## Item 7 – Capital Resources

Provide an analysis of the issuer's capital resources, including –

- (a) commitments for capital expenditures as of the date of the issuer's financial statements including –
  - (i) the amount, nature and purpose of these commitments;
  - (ii) the expected source of funds to meet these commitments; and
  - (iii) expenditures not yet committed but required to maintain the issuer's capacity, to meet the issuer's planned growth or to fund development activities;
- (b) known trends or expected fluctuations in the issuer's capital resources, including expected changes in the mix and relative cost of these resources; and
- (c) sources of financing that the issuer has arranged but not yet used.

### INSTRUCTIONS

*Capital resources are financing resources available to the issuer and include debt, equity and any other financing arrangements that the issuer reasonably considers will provide financial resources to the issuer.*

*In discussing the issuer's commitments discuss any exploration and development, or research and development expenditures required to maintain properties or agreements in good standing.*

## Item 8 – Off-Balance Sheet Arrangements

Discuss any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the issuer including, without limitation, such considerations as liquidity and capital resources.

In the discussion of off-balance sheet arrangements, the issuer should discuss their business purpose and activities, their economic substance, risks associated with the arrangements, and the key terms and conditions associated with any commitments. The discussion should include –

- (a) a description of the other contracting party(ies);
- (b) the effects of terminating the arrangement;
- (c) the amounts receivable or payable, revenues, expenses and cash flows resulting from the arrangement;
- (d) the nature and amounts of any other obligations or liabilities arising from the arrangement that could require the issuer to provide funding under the arrangement and the triggering events or circumstances that could cause them to arise; and
- (e) any known event, commitment, trend or uncertainty that may affect the availability or benefits of the arrangement (including any termination) and the course of action that management has taken, or proposes to take, in response to any such circumstances.

### INSTRUCTIONS

*Off-balance sheet arrangements include any contractual arrangement with an entity not reported on a consolidated basis with the issuer, under which the issuer has –*

- (A) any obligation under certain guarantee contracts;
- (B) a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to that entity for the assets;
- (C) any obligation under certain derivative instruments; or
- (D) any obligation under a material variable interest held by the issuer in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the issuer, or engages in leasing, hedging or, research and development services with the issuer.

*Contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.*

*Disclosure of off-balance sheet arrangements should cover the most recently completed financial year. However, the discussion should address changes from the previous year where such discussion is necessary to understand the disclosure.*

*The discussion need not repeat information provided in the notes to the financial statements if the discussion clearly cross-references to specific information in the relevant notes and integrates the substance of the notes into the discussion in a manner that explains the significance of the information not included in the MD&A.*

### **Item 9 – Transactions with Related Parties**

Discuss all transactions involving related parties as defined by generally accepted accounting principles and include the disclosure required by generally accepted accounting principles to the extent not contained in the notes to the financial statements.

#### *INSTRUCTION*

*In discussing the issuer's transactions with related parties, the discussion should include both qualitative and quantitative characteristics that are necessary to understand the transactions' business purpose and economic substance. Discuss –*

- (A) the relationship and identify the related person or entities;*
- (B) the business purpose of the transaction;*
- (C) the recorded amount of the transaction and the measurement basis used;*
- (D) any ongoing contractual or other commitments resulting from the transaction;*
- (E) any additional disclosure required by generally accepted accounting principles.*

*If the disclosure required by this item is provided in a note to the issuer's financial statements, the issuer may provide a cross reference to the note and otherwise omit this discussion in the MD&A.*

### **Item 10 – Fourth Quarter**

Discuss and analyze fourth quarter events or items that affected the issuer's financial condition, cash flows or results of operations, including extraordinary items, year-end and other adjustments, seasonal aspects of the issuer's business and dispositions of business segments.

### **Item 11 – Proposed Transactions**

Discuss the expected effect on financial condition, results of operations and cash flows of any proposed asset or business acquisition or disposition if the issuer's board of directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with the transaction. Include the status of any required security holder or regulatory approvals.

#### *INSTRUCTION*

*The issuer does not have to disclose this information if the issuer has filed a Material Change Report[Form 20] regarding the transaction on a confidential basis and the report remains confidential.*

### **Item 12 – Critical Accounting Estimates**

Provide an analysis of the issuer's critical accounting estimates. The analysis should –

- (a) identify and describe each critical accounting estimate used by the issuer including –
  - (i) a description of the accounting estimate;
  - (ii) the methodology used in determining the critical accounting estimate;
  - (iii) the assumptions underlying the accounting estimate that relate to matters highly uncertain at the time the estimate was made;
  - (iv) any known trends, commitments, events or uncertainties that the issuer reasonably believes will materially affect the methodology or the assumptions described; and
  - (v) if applicable, why the accounting estimate is reasonably likely to change from period to period and have a material impact on the financial presentation;
- (b) explain the significance of the accounting estimate to the issuer's financial condition, changes in financial condition and results of operations and identify the financial statement line items affected by the accounting estimate;
- (c) discuss changes made to critical accounting estimates during the past two financial years including the reasons for the change and the quantitative effect on the issuer's overall financial performance and financial statement line items; and

- (d) identify the segments of the issuer's business that the accounting estimate affects and discuss the accounting estimate on a segment basis, if the issuer operates in more than one segment.

#### **INSTRUCTIONS**

*An accounting estimate is a critical accounting estimate only if –*

- (A) *it requires the issuer to make assumptions about matters that are highly uncertain at the time the accounting estimate is made; and*
- (B) *different estimates that the issuer could have used in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on the issuer's financial condition, changes in financial condition or results of operations.*

*As part of the description of each critical accounting estimate, in addition to qualitative disclosure, provide quantitative disclosure when quantitative information is reasonably available and would provide material information for investors. Similarly, in the discussion of assumptions underlying an accounting estimate that relates to matters highly uncertain at the time the estimate was made, provide quantitative disclosure when it is reasonably available and it would provide material information for investors. For example, quantitative information may include a sensitivity analysis or disclosure of the upper and lower ends of the range of estimates from which the recorded estimate was selected.*

#### **Item 13 – Changes in Accounting Policies including Initial Adoption**

Discuss and analyze any changes in the issuer's accounting policies, including –

- (a) for any accounting policies that the issuer has adopted or expects to adopt after the end of the issuer's most recently completed financial year, including changes the issuer has made or expects to make voluntarily and those due to a change in an accounting standard or a new accounting standard that the issuer does not have to adopt until a future date, the issuer should –
- (i) describe the new standard, the date the issuer is required to adopt it and, if determined, the date it plans to adopt it;
  - (ii) disclose the methods of adoption permitted by the accounting standard and the method the issuer expects to use;
  - (iii) discuss the expected effect on the issuer's financial statements, or if applicable, state that the issuer cannot reasonably estimate the effect; and
  - (iv) discuss the potential effect on the issuer's business, for example technical violations or default of debt covenants or changes in business practices; and
- (b) for any accounting policies that the issuer has initially adopted during the most recently completed financial year, the issuer should –
- (i) describe the events or transactions that gave rise to the initial adoption of an accounting policy;
  - (ii) describe the accounting principle that has been adopted and the method of applying that principle;
  - (iii) discuss the effect resulting from the initial adoption of the accounting policy on the issuer's financial condition, changes in financial condition and results of operations;
  - (iv) if the issuer is permitted a choice among acceptable accounting principles –
    - (A) state that the issuer made a choice among acceptable alternatives;
    - (B) identify the alternatives;
    - (C) describe why the issuer made the choice that the issuer did; and
    - (D) discuss the effect, where material, on the issuer's financial condition, changes in financial condition and results of operations under the alternatives not chosen; and
  - (v) if no accounting literature exists that covers the accounting for the events or transactions giving rise to the initial adoption of the accounting policy, explain the decision regarding which accounting principle to use and the method of applying that principle.

**INSTRUCTION**

*The issuer does not have to present the discussion under paragraph (b) of Item 13 for the initial adoption of accounting policies resulting from the adoption of new accounting standards.*

**Item 14 – Financial Instruments and Other Instruments**

For financial instruments and other instruments –

- (a) discuss the nature and extent of the issuer’s use of, including relationships among, the instruments and the business purposes that they serve;
- (b) describe and analyze the risks associated with the instruments;
- (c) describe how the issuer manage these risks, including a discussion of the objectives, general strategies and instruments used to manage the risks, including any hedging activities;
- (d) disclose the financial statement classification and amounts of income, expenses, gains and losses associated with the instrument; and
- (e) discuss the significant assumptions made in determining the fair value of financial instruments, the total amount and financial statement classification of the change in fair value of financial instruments recognized in income for the period, and the total amount and financial statement classification of deferred or unrecognized gains and losses on financial instruments.

**INSTRUCTIONS**

*“Other instruments” are instruments that may be settled by the delivery of non-financial assets. A commodity futures contract is an example of an instrument that may be settled by delivery of non-financial assets.*

*The discussion under paragraph (a) of Item 14 should enhance a reader’s understanding of the significance of recognized and unrecognized instruments on the issuer’s financial position, results of operations and cash flows. The information should also assist a reader in assessing the amounts, timing, and certainty of future cash flows associated with those instruments. Also discuss the relationship between liability and equity components of convertible debt instruments.*

*For purposes of paragraph (c) of Item 14, if the issuer is exposed to significant price, credit or liquidity risks, consider providing a sensitivity analysis or tabular information to help readers assess the degree of exposure. For example, an analysis of the effect of a hypothetical change in the prevailing level of interest or currency rates on the fair value of financial instruments and future earnings and cash flows may be useful in describing the issuer’s exposure to price risk.*

*For purposes of paragraph (d) of Item 14, disclose and explain the income, expenses, gains and losses from hedging activities separately from other activities.*

**Item 15 – Additional Disclosure for Issuers Without Significant Revenue**

If the issuer has not had significant revenue from operations in either of its last two financial years, it should disclose a breakdown of the material components of –

- (a) capitalized or expensed development costs;
- (b) expensed research and development costs;
- (c) deferred development costs;
- (d) general and administration expenses; and
- (e) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (a) through (d),

for each of the two most recently completed financial years.

This disclosure is not required if the information has been disclosed in the financial statements to which the MD&A relates.

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## Form 20

### Material Change Report

(under section 124 of the Regulations)

#### Item 1 – Name and Address of Public Issuer

State the name of the public issuer, and include its principal business address, email address(es), telephone numbers and fax numbers.

#### Item 2 – Date of Material Change

#### Item 3 – Press Release

State the date that the press release disclosing the material change was issued, and describe the method of dissemination.

#### Item 4 – Description of Material Change

Provide sufficient disclosure regarding the material change to enable a reader to appreciate the significance and impact of the material change without having to refer to any other sources.

Examples of matters that would be subject to disclosure include: dates, parties, terms and conditions, effect on financial condition, value, reasons for the change, purpose of the change, and a general comment on the probable impact of the material change on the public issuer.

#### Item 5 – Senior Officer

Give the name, business telephone number and email address of a senior officer of the public issuer who is knowledgeable about the material change and who may be contacted to discuss it.

#### Item 6 – Date the Report

#### Item 7 – Certification and Signature

Include the signature of a senior officer certifying the following statement:

“I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.”

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

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## Form 21

### Management Proxy Statement

(under section 126 of the Regulations)

#### Item 1 – Name and Address of Public Issuer

Include the full corporate name of the issuer or, if the issuer is an unincorporated entity, the full name under which the entity exists and carries on business. Include the issuer’s complete mailing address and telephone number of the issuer’s executive offices, its e-mail address, its website address and its jurisdiction of incorporation or organization.

#### Item 2 – Date, Time and Place Information

State the date, time and place of the meeting of security holders.

On the first page of the proxy statement, state the date on which the proxy statement and form of proxy are first sent or given to security holders.

#### Item 3 – Revocability of Proxy

State whether or not the person giving the proxy has the power to revoke it. If the right of revocation before the proxy is exercised is limited or is subject to compliance with any formal procedure, briefly describe such limitation or procedure.

#### Item 4 – Solicitation

State the solicitation is made by the issuer.

Give the name of any director of the issuer who has informed the issuer in writing that the director intends to oppose any action intended to be taken by the company and indicate the action which the director intends to oppose.

Describe the method(s) of solicitation of security holders.

State the names of the persons by whom the cost of solicitation has been or will be borne, directly or indirectly and the total amount estimated to be spent and the total expenditure to date in connection with the solicitation of security holders.

If specially engaged employees, representatives or other persons have been or are to be employed to solicit security holders, state –

- i. the material features of any contract or arrangement for such solicitation and the identity of the parties;
- ii. the anticipated costs thereof; and
- iii. the approximate number of such employees or any other person (naming such other person) who will solicit security holders.

### **Item 5 – Voting Securities and Principal Holders of Voting Securities**

Provide –

- (a) The number of securities of each class of securities of the issuer entitled to be voted at the meeting and the number of votes to which each security of each such class is entitled on each matter to be acted upon at the meeting.
- (b) The name of each person who, to the knowledge of the directors or officers of the issuer, beneficially owns or exercises control or direction over securities carrying more than 10 per cent of the voting rights attached to any class of outstanding voting securities of the issuer entitled to be voted at the meeting, the approximate number of the securities so owned, controlled or directed by each such person and the percentage of the class of outstanding voting securities of the issuer represented by the number of voting securities so owned, controlled or directed.
- (c) If a change in the effective control of the issuer has occurred since the beginning of its last financial year, the name of the person who, to the knowledge of the directors or officers of the issuer, acquired control, the date and description of the transaction in which control was acquired and the percentage of voting rights attached to all outstanding voting securities entitled to be voted at the meeting now owned, controlled or directed by the person.
- (d) The percentage of votes required for the approval of any matter to be submitted to a vote of security holders that requires approval by more than a majority of the votes cast on the matter at the meeting.

### **Item 6 – Election of Directors**

If directors are to be elected, provide –

- (a) A statement of any right of any class of security holders to elect a specified number of directors or to cumulate their votes and of any conditions precedent to the exercise of the rights.
- (b) In table form, so far as practicable, with respect to each person proposed by management for nomination for election as a director and each director whose term of office will continue after the meeting –
  - i. the name of each person, the time when his or her term of office or the term of office for which he or she is a proposed nominee expires and all other major positions and offices with the issuer or any of its significant affiliates currently held by the person, indicating which of the persons are proposed nominees for election as directors at the meeting;
  - ii. the present principal occupation or employment of each such person, the name and principal business of any company or other organization in which the occupation or employment is carried on and similar information as to all principal occupations or employments of each such person within the five preceding years, unless the person is now a director and was elected to his or her present term of office by a vote of security holders at a meeting the notice of which was accompanied by a proxy statement containing that information;
  - iii. if any such person is or has been a director of the issuer, the period or periods during which the person has so served;
  - iv. the number of securities of each class of voting securities of the issuer and of its holding body corporate beneficially owned, directly or indirectly, or over which control or direction is exercised by each such person; and

- v. if more than 10 per cent of the votes attached to voting securities of any class of the issuer or of its holding body corporate are beneficially owned or subject to control or direction by any such person and the person's associates, the number of each class of voting securities so owned, controlled or directed by the associates and the name of each associate.
- (c) The details of any contract, arrangement or understanding between any proposed management nominee and any other person, except the directors and officers of the issuer acting solely in such capacity, pursuant to which the nominee is to be elected, including the name of the other person.

#### **Item 7 - Directors' and Officers' Remuneration**

Provide a statement of executive compensation completed in accordance with section 53 of Form 16 [*Prospectus Form*] of the Regulation.

#### **Item 8 – Interests of Insiders in Material Transactions**

Provide the details of any material interest of –

- i. a director or senior officer of the issuer;
- ii. a proposed management nominee for election as a director of the issuer;
- iii. a significant security holder; and
- iv. an associate or affiliate of every person referred to in subparagraphs i, ii and iii,

in any transaction since the beginning of the issuer's last completed financial year or in any proposed transaction that has materially affected or will materially affect the issuer or any of its affiliates. Include, where practicable, the approximate amount of the direct or indirect material interest.

Include the name and address of each person whose interest in a transaction is disclosed and that person's relationship to the issuer.

Where a material transaction referred to in this Item involves the purchase or sale of assets by the issuer or any affiliate otherwise than in the ordinary course of business, include the cost of the assets to the purchaser and the cost of the assets to the seller if acquired by the seller within the two years prior to the transaction.

#### **Item 9 – Appointment of Auditors**

If a new auditor is proposed for appointment, provide the name of the proposed auditor, the name of each auditor appointed within the preceding five years and the date on which each auditor was first appointed.

#### **Item 10 – Particulars of Matters to Be Acted Upon**

List separately all items to be considered and voted upon by the security holders, such as, election of directors, compensation issues, corporate matters including amendments to articles or bye-laws, mergers, consolidations, acquisitions and similar matters, property issues, election of independent accountants, capitalization matters and other corporate items.

List separately any proposal by a substantial security holder or dissenter.

If there is any challenge to any of the items on the agenda or any contrary or additional proposal by any substantial security holder or dissenter, the company shall include and provide their information and recommendations regarding such items or proposals.

If any matter on the agenda is not required to be submitted to a vote of the security holders, give the reasons for so submitting it and the action intended to be taken by management in the event of a negative vote by the security holders.

Along with the above items listed, the company may provide additional information about each item and may express its recommendations as to whether the security holder should approve, reject or abstain from the proposal.

In all cases, provide sufficient details on the items to be considered so that the security holders may form a reasoned judgment concerning the matter.

#### **Item 11 – Dissent & Appraisal Rights**

Provide a statement of the rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon and include a brief summary of any statutory procedure required to be followed by dissenting security holders in order to perfect such rights.

**Item 12 – Financial Information**

Include the issuer's certified financial statements and the auditor's report thereon for the issuer's most recently completed fiscal year.

**Item 13 – Approval of Directors**

Include a statement, signed by a director or officer of the issuer, that the contents and the sending of the proxy statement have been approved by the directors.

**Item 14 – Certification of Distribution**

A management proxy statement that is filed with the Commission shall be accompanied by a statement signed by a director or officer certifying that a copy of the statement has been sent to –

- (a) each director;
- (b) each security holder entitled to notice of the meeting to which the circular relates; and
- (c) the auditor of the issuer.

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

**A fee must be submitted with this form. The appropriate fee can be found in the Fee Rule.**

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**Form 22****Dissident Proxy Statement**

(under section 126 of the Regulations)

**Item 1 – Name of Public Issuer**

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

**Item 2 – Date, Time and Place Information**

State the date, time and place of the meeting of security holders.

On the first page of the proxy statement, as delivered to security holders, state the date on which the proxy statement are first sent or given to security holders.

**Item 3 – Revocability of Proxy**

State whether or not the person giving the proxy has the power to revoke it. If the right of revocation before the proxy is exercised is limited or is subject to compliance with any formal procedure, briefly describe such limitation or procedure.

**Item 4 – Solicitation**

Provide -

- 1) Details of the identity and background of each dissident, including –
  - the dissident's name and address;
  - the dissident's present principal occupation or employment and the name, principal business and address of any company or other person in which the occupation or employment is carried on;
  - all material occupations, offices or employments during the preceding five years, with starting and ending dates of each and the name, principal business and address of the body corporate or other business organization in which each such occupation, office or employment was carried on; and
  - whether the dissident is or has been a dissident within the preceding ten years and, if so, the body corporate involved, the principals and the dissident's relationship to them, the subject matter and the outcome of the solicitation.
- 2) The circumstances under which each dissident became involved in the solicitation and the nature and extent of activities as a dissident.

- 3) Details of the interest of each dissident in the securities of the issuer to which the solicitation relates, including –
- (a) the number of securities of each class of voting securities of the issuer that the dissident owns beneficially, directly or indirectly, or over which the dissident exercises control or direction;
  - (b) whether the dissident is or was within the preceding year a party to a contract, arrangement or understanding with any person in respect of securities of the issuer, including joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits or the giving or withholding of proxies and, if so, the names of the parties to, and the details of the contract, arrangement or understanding;
  - (c) the number of each class of securities of an affiliate of the issuer that the dissident owns beneficially, directly or indirectly, or over which the dissident exercises control or direction; and
  - (d) the number of securities of each class of securities of the issuer that each associate of the dissident beneficially, directly or indirectly, owns or exercises control or direction over and the name and address of each such associate.
- 4) Describe the method(s) of solicitation of security holders.
- (a) State the names of the persons by whom the cost of solicitation has been or will be borne, directly or indirectly and the total amount estimated to be spent and the total expenditure to date in connection with the solicitation of security holders.
  - (b) If specially engaged employees, representatives or other persons have been or are to be employed to solicit security holders, state –
    - i. the material features of any contract or arrangement for such solicitation and the identity of the parties;
    - ii. the anticipated costs thereof; and
    - iii. the approximate number of such employees or any other person (naming such other person) who will solicit security holders.

#### **Item 5 – Election of Directors**

If the dissident is proposing directors for election, provide –

- 1) In table form, so far as practicable, with respect to each person proposed by the dissident for nomination for election as a director and each director whose term of office will continue after the meeting;
- (a) the name of each person, the time when his or her term of office or the term of office for which he or she is a proposed nominee expires and all other major positions and offices with the issuer or any of its significant affiliates currently held by the person, indicating which of the persons are proposed nominees for election as directors at the meeting;
  - (b) the present principal occupation or employment of each such person, the name and principal business of any body corporate or other organization in which the occupation or employment is carried on and similar information as to all principal occupations or employments of each such person within the five preceding years, unless the person is now a director and was elected to his or her present term of office by a vote of security holders at a meeting the notice of which was accompanied by a proxy statement containing that information;
  - (c) if any such person is or has been a director of the issuer, the period or periods during which the person has so served;
  - (d) the number of securities of each class of voting securities of the issuer and of its holding body corporate beneficially owned, directly or indirectly, or over which control or direction is exercised by each such person; and
  - (e) if more than 10 per cent of the votes attached to voting securities of any class of the issuer or of its holding body corporate are beneficially owned or subject to control or direction by any such person and the person's associates, the number of each class of voting securities so owned, controlled or directed by the associates and the name of each associate.
- 2) The details of any contract, arrangement or understanding between any proposed dissident nominee and any other person, except the directors and officers of the issuer acting solely in such capacity, pursuant to which the nominee is to be elected, including the name of the other person.

### **Item 6 – Interests of Insiders in Material Transactions**

Provide details on any material interest of –

- (a) a proposed dissident nominee for election as a director of the issuer,
- (b) a dissident; and
- (c) an associate or affiliate of every person referred to in subparagraphs (a) and (b),

in any transaction since the beginning of the issuer's last completed financial year or in any proposed transaction that has materially affected or will materially affect the issuer or any of its affiliates. Include, where practicable, the approximate amount of any direct or indirect material interest of the person.

Include the name and address of each person whose interest in a transaction is disclosed and that person's relationship to the issuer.

Where a material transaction referred to in this Item involves the purchase or sale of assets by the issuer or any affiliate otherwise than in the ordinary course of business, include the cost of the assets to the purchaser and the cost of the assets to the seller if acquired by the seller within the two years prior to the transaction.

### **Item 7 – Particulars of Matters to be Acted Upon**

List separately all items to be considered and voted upon by the security holders for which the dissident is soliciting proxies, such as, election of directors, compensation issues, corporate matters including amendments to articles or by-laws, mergers, consolidations, acquisitions and similar matters, property issues, capitalization matters and other corporate items.

In all cases, provide sufficient details on the items to be considered so that the security holders may form a reasoned judgment concerning the matter.

### **Item 8 – Approval of Dissident**

Include a statement, signed by the dissident or a person authorized by the dissident, that the contents and the sending of the circular have been approved by the dissident.

### **Item 9 – Certification of Distribution**

A dissident proxy statement that is filed with the Commission shall be accompanied by a statement signed by the dissident or a person authorized by the dissident certifying that a copy of the statement has been sent to –

- (a) each director;
- (b) each security holder entitled to notice of the meeting to which the circular relates;
- (c) the auditor of the issuer; and
- (d) the issuer.

***WARNING: Intentional misstatement or failure to disclose information may constitute an offence.***

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**Form 23 - Report of Insider of Public Issuer**

(under section 136 of the Regulations)

**1. Identification of Public Issuer**

<b>Name of Public Issuer</b>

**2. Identification of Insider**

<b>Family Name or Corporate Name</b>		
<b>Given Names</b>		
<b>Street Address</b>		
<b>City, Country</b>	<b>Postal Code</b>	
<b>Business Telephone Number</b>	<b>Business Fax Number</b>	
<b>Change from Previous Report</b>	<b>Yes</b>	<b>No</b>

**3. Insider Data**

<b>Relationship to Public Issuer</b>	<b>Date last report filed</b>
	<b>or</b>
<b>Change in Relationship from last report</b>	<b>If initial report, date on which you became insider</b>
<b>Yes</b> <b>No</b>	

**4. Holdings and Changes of Insider (if initial report, complete columns A, D, E and F only. See also instructions to Box 4)**

A	B	C						D	E	F	
Designation of Class of Securities	Balance of Class of securities on last report	Transactions						Present Balance of Class of securities held	Nature of Ownership	Name of Registered holder (if applicable)	
		Date			Number/ Value Acquired	Number/ Value Disposed of	Unit Price/ Exercise Price				US \$
		Day	Mo	Year							

Attachment: Yes: \_\_\_\_\_ No: \_\_\_\_\_

**5. Remarks**

--

I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading. It is an offence to file a report that, at the time and in light of the circumstances in which it is made, contains a misrepresentation.

**6. Signature**

<b>Name (Block letters)</b>	<b>Signature</b>	<b>Date of Report</b>
		<b>Day      Mo      Yr</b>

## INSTRUCTIONS

No report must be filed if:

- The insider does not own or have control or direction over securities of the public issuer, or
- There has been no change in such person's ownership or direction or control over securities of the public issuer since the last report filed.

### BOX 1 Name of the public issuer

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

### BOX 2 Person connected to public issuer data

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

Significant security holder	1
Director of the public issuer	2
Senior officer of the public issuer	3
Director or senior officer of a significant security holder referred to in 1	4
Director or senior officer of an affiliate of the public issuer, other than in 2, 3 and 4	5

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

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

### BOX 3 Name, address and telephone number of the insider

Provide your name, address and business telephone number.

### BOX 4 Insider holdings and changes

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

For an initial report complete only:

- A. Designation of class of securities held.
- D. Present balance of class of securities held.
- E. Nature of ownership (see List of Codes).
- F. Identification of the registered holder where ownership is indirect.

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

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

**LIST OF CODES*****Nature of transaction***

Acquisition or disposition in the public market	1
Acquisition or disposition carried out privately	2
Acquisition or disposition under a prospectus	3
Acquisition or disposition under a prospectus exemption	4
Acquisition or disposition pursuant to a takeover bid, merger or acquisition	5
Acquisition or disposition under a purchase/ownership plan	6
Stock dividend	7
Conversion or exchange	8
Stock split or consolidation	9
Redemption/retraction/cancellation/repurchase	10
Short sale	11
Compensation for property	12
Compensation for services	13
Acquisition or disposition by gift	14
Acquisition by inheritance or disposition by bequest	15

***Issuer Derivatives***

Grant of options	16
Exercise of options	17
Expiry of options	18
Grant of warrants	19
Exercise of warrants	20
Expiry of warrants	21
Grant of rights	22
Exercise of rights	23
Expiry of rights	24

***Third Party Derivatives***

Acquisition or disposition (writing) of third party derivative	25
Exercise of third party derivative	26
Other settlement of third party derivative	27
Expiry of third party derivative 2	28

***Miscellaneous***

Change in nature of ownership	29
Other	30

- D.** Indicate the number of securities, or in the case of debt securities, the aggregate nominal value, of the class held, directly or indirectly, after the transaction that is being reported.

- E.** Indicate the nature of ownership, control or direction in respect of the class of securities held using the following codes:
- |   |   |
|---|---|
| Direct ownership                                      | 0 |
| Indirect ownership (identify the registered holder)   | 1 |
| Control or direction (identify the registered holder) | 2 |
- F.** For securities that are indirectly held, or over which control or direction is exercised, identify the registered holder.

**BOX 5 Remarks**

Add any explanation necessary to make the report clearly understandable.

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

Commission staff are not permitted to alter a report.

**BOX 6 Signature and filing**

Manually sign and date the report.

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

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

If the report is signed on behalf of an individual by an agent, file a duly completed power of attorney with the first report signed by the agent.

File one copy of the report with the Commission within the prescribed time limits.

**SCHEDULE 3**

**Approved Foreign Issuer Distribution**

**Materials to be Provided to the Commission and Delivered to Purchasers**

(under section 115 of the Regulations)

- |                                       |  |
|---------------------------------------|--|
| Documents to be filed with Commission | <ol style="list-style-type: none"> <li>1. A foreign issuer relying on the prospectus exemption in regulation 115 must file with the Commission, at least five business days before it proposes to offer its securities for sale in The Bahamas –             <ol style="list-style-type: none"> <li>(a) a certificate signed by the Chief Executive Officer of the issuer stating that the issuer meets the requirements to be an approved foreign issuer;</li> <li>(b) a copy of the receipt (or equivalent) issued by an overseas regulatory authority showing that the foreign prospectus has become final for purposes of a distribution of securities in a recognized foreign jurisdiction;</li> <li>(c) a copy of all documents incorporated or deemed incorporated by reference into the foreign prospectus;</li> <li>(d) a copy of all expert reports, valuations and consents filed in the recognized foreign jurisdiction in connection with the distribution;</li> <li>(e) a copy of the foreign prospectus, and each supplement or amendment;</li> <li>(f) a certificate signed by the Chief Executive Officer of the issuer that the foreign prospectus constitutes full, true and plain disclosure of all material information about the issuer and the securities being distributed;</li> </ol> </li> </ol> |
|---------------------------------------|--|

- (g) any other documents required by the Commission;
- (h) a submission to the jurisdiction of the Commission in the form set out in Appendix C to Form 16;
- (i) any other documents or information requested by the Commission; and
- (j) the required fee as specified in the Fee Rule.

- Documents to be delivered to purchasers
2. A foreign issuer relying on the prospectus exemption in regulation 115 must deliver to each purchaser in The Bahamas, no later than two business days before the date the purchaser enters into an agreement to purchase the securities –
- (a) a copy of the foreign prospectus;
  - (b) any documents incorporated by reference into the prospectus; and
  - (c) any supplementary information required by the Commission.

#### **SCHEDULE 4**

##### **Recognized Foreign Jurisdictions and Stock Exchanges**

(under section 142 of the Regulations)

##### **Recognized Foreign Jurisdictions:**

All jurisdictions that are members in good standing with the International Organization of Securities Commissions.

##### **Recognized Foreign Securities Exchanges:**

All securities exchanges in countries that are members in good standing with the International Organization of Securities Commissions.