The Alberta Gazette

Part I

Vol. 102 Edmonton, Saturday, October 14, 2006 No. 19

RESIGNATIONS & RETIREMENTS

(Justice of the Peace Act)

Death of Justice of the Peace

August 18, 2006
Angeline Urquhart of Edmonton

Resignation of Justice of the Peace

May 5, 2006
Michelle Ollive of Leduc

May 31, 2006
Cynthia Sawyer of Calgary

June 30, 2006
Beth Greaves of Calgary

July 3, 2006
Caron Terlecki of Calgary

July 12, 2006
Patrick M. McIlhargey of Calgary

July 14, 2006
Darlene Monague of Calgary

August 1, 2006
Ursula Abresch of Calgary

August 30, 2006
Holly Kucinskas of Wetaskiwin

August 31, 2006
P. Joan Leonard of Calgary
Caroline Elizabeth Wilson of Calgary

September 1, 2006
Amanda Laprise of Fort McMurray

ORDERS IN COUNCIL

O.C. 442/2006

(Municipal Government Act)

Approved and ordered:
Norman Kwong
Lieutenant Governor. September 13, 2006

The Lieutenant Governor in Council changes the name of the County of Vermilion River No. 24 to the County of Vermilion River

Ralph Klein, Chair.

GOVERNMENT NOTICES

Agriculture, Food and Rural Development

Form 15

(Irrigation Districts Act)
(Section 88)

Notice to Irrigation Secretariat:
Change of Area of an Irrigation District

On behalf of the **Western Irrigation District**, I hereby request that the Irrigation Secretariat forward a certified copy of this notice to the Registrar for Land Titles for the purposes of registration under Section 22 of the *Land Titles Act* and arrange for notice to be published in the Alberta Gazette.

The following parcels of land should be **removed** to the irrigation district and the notation removed from the certificate of title:

LINC Number	Short Legal Description as shown on title	Title Number
0013 134 929	4; 25; 24; 15;SW	061 287 034
0010 370 146	8010030;6;49	061 314 809

I certify the procedures required under part 4 of the *Irrigation Districts Act* have been completed and the area of the **Western Irrigation District** should be changed according to the above list.

Laurie Hodge, *Office Manager,*
Irrigation Secretariat.

Energy

Hosting Expenses Exceeding $600.00
For the quarter ending March 31, 2006

Function: Centennial Medal Presentation
Purpose: To present Alberta Centennial Medals to recipients nominated by the Minister of Energy for their contributions to Alberta in the energy field.
Amount: $1,797.25
Date: January 24, 2006
Location: Calgary, Alberta

Justice

Office of the Public Trustee
Property being held by the Public Trustee for a period of Ten (10) Years

(Public Trustee Act)
Section 11 (2)(b)

Name of Person Entitled to Property	Description of Property held and its value or estimated value	Property part of deceased person's **Estate or** held under **Court Order:** Deceased's Name Judicial District Court File Number	Public Trustee Office Additional Information
Robert Carnegie aka Robert Trynchy (File #148218)	Cash on hand $2,717.75	Estate Sally Anne Carnegie JD of Edmonton SES03 114120	Edmonton (File #141866)
Dwayne Swenson (File #151008)	Cash on hand $2,773.81	Estate Dorothy Katchur JD of Edmonton SES03 108159	Edmonton (File #151006)
Richard Swenson (File #151009)	Cash on hand $2,773.81	Estate Dorothy Katchur JD of Edmonton SES03 108159	Edmonton (File #151006)
Darold Swenson (File #151010)	Cash on hand $2,773.81	Estate Dorothy Katchur JD of Edmonton SES03 108159	Edmonton (File #151006)

2005 Annual Report

(Electronic Interception)
(Section 195(5) of the Criminal Code)

1. The number of applications made for authorizations (by a provincially designated agent or police officer):

a)	Section 184.2	**34**
b)	Section 185	**20**
c)	Section 188	**1**
d)	Section 487.01(4)	**6**

2. The number of applications made for renewals of provincial authorizations:

a)	Section 186	**0**
b)	Section 487.01(4)	**0**

3. The number of applications granted under:

a)	original authorizations	**28**
b)	emergency authorizations	**1**
c)	renewal authorizations	**0**

The numbers of applications refused under:

a)	Section 185	**0**
b)	Section 188	**0**
c)	Section 186	**0**
d)	Section 487.01(4)	**0**

The number of applications granted subject to conditions under:

a)	Section 185	**25**
b)	Section 186	**10**
c)	Section 188	**1**
d)	Section 487.01(4)	**6**

4. The number of persons identified in an authorization against whom proceedings were commenced at the instance of the Attorney General of Alberta in respect of:

a)	an offence specified in the authorization	**55**
b)	an offence other than an offence specified in the authorization but in respect of which an authorization may be given	**10**
c)	an offence in respect of which an authorization may not be given	**9**

5. The number of persons not identified in an authorization against whom proceedings were commenced at the instance of the Attorney General of Alberta in respect of:

a)	an offence specified in the authorization	**0**
b)	an offence other than an offence specified in the authorization but in respect of which an authorization may be given	**10**
c)	an offence other than an offence specified in such an authorization and for which no such authorization may be given	**9**

And whose commission or alleged commission of the offence becomes known to a peace officer as a result of an interception of a private communication under an authorization.

6. The average period for which authorizations were given and for which renewals thereof were granted:

60 days

7. The number of authorizations that by virtue of one or more renewals thereof were valid:

a)	for 60 days or less	**20**
b)	for more than 60 days	**1**
c)	for more than 90 days	**1**
d)	for more than 120 days	**1**
e)	for more than 180 days	**1**
f)	for more than 240 days	**0**

8. The number of notifications given pursuant to Section 196:

174

9. The offences in respect of which authorizations were given, specifying the number of authorizations given in respect of each such offence:

STATUTE	SECTION	NUMBER OF AUTHORIZATIONS
CRIMINAL CODE		
	87(1)	**0**
	88(1)	**2**
	94(1)	**0**
	95	**0**
	96	**0**
	99(1)	**2**
	139(2)	**0**
	155	**0**
	192	**0**
	235	**2**
	235(1)	**24**
	236	**0**
	239	**0**
	239(b)	**3**
	240	**1**
	244	**0**
	264	**0**
	264.1	**1**
	267	**0**
	267(a)	**1**

STATUTE	SECTION	NUMBER OF AUTHORIZATIONS
	268	3
	271	0
	279(1)	0
	279(2)	0
	334	0
	334(b)	0
	342(3)	0
	344	1
	344(a)	0
	344(b)/463	1
	346(1)	1
	348(1)(a)	0
	348(1)(b)	0
	354	0
	355	0
	355(a)	0
	368(1)	0
	380	0
	380(1)	0
	423.1	0
	430(1)	1
	430(3)	0
	433	3
	434	0
	435	0
	455(1)(f)	0
	462.31	0
	464	0
	465	2
	465(1)	6
	465(1)(a)	8
	465(1)(c)	0
	467.11/467.12/ 467.13	0
CONTROLLED DRUGS AND SUBSTANCES ACT		
	5(2)	0

10. A description of all classes of places specified in an authorization and the number of authorizations in which each class of place was specified:

Residence

Permanent	Temporary
Permanent Residence / Authorizations	Temporary Residence / Authorizations
44 / 13 /	5 / 4 /

Commercial

Premises	Vehicles	Others
Commercial Premises / Authorizations	Commercial Vehicle / Authorizations	Commercial Other / Authorizations
18 / 9 /	8 / 5 /	57 / 16 /

To further clarify question 10 - state number of classes of places specified in the authorization ***and*** the number of authorizations: for example: 30 permanent residences / 7 authorizations

11. From the following categories, specify the number of times in which a particular method of interception was authorized:

Telecommunications	Microphone	Video	Other
134	**22**	**0**	**0**

12. The number of persons arrested whose identity became known to a peace officer as a result of an interception under an authorization:

24

13. The number of criminal proceedings commenced at the instance of the Attorney General in Alberta in which private communications obtained by interception under an authorization were adduced in evidence and the number of such proceedings that resulted in a conviction:

a) Criminal proceedings adduced in evidence **32**
b) resultant convictions **4**

14. The number of criminal investigations in which information obtained as a result of the interception of a private communication under an authorization was used although the private communication was not adduced in evidence in criminal proceedings commenced at the instance of the Attorney General as a result of the investigation.

0

15. The number of prosecutions commenced against officers or servants of Her Majesty in Right of Canada or members of the Canadian Forces for offences under Section 184 or Section 193:

0

The interception of private communications continues to be an important tool for the investigation, prevention and prosecution of offences in Alberta, especially in the area of drug offences and criminal organization investigations.

Alberta Securities Commission

Please note that "Commentary" sections are for interpretive purposes only and do not have the force of law.

NATIONAL INSTRUMENT 81-107
Independent Review Committee for Investment Funds

(Securities Act)

Made as a rule by the Alberta Securities Commission on November 1, 2006 pursuant to sections 223 and 224 of the Securities Act.

TABLE OF CONTENTS

Introduction

This National Instrument (the Instrument) contains both rules and accompanying commentary on those rules. The Canadian Securities Administrators (the CSA or we), have made these rules under authority granted by the securities legislation of their jurisdiction.

The commentary may explain the implications of a rule, offer examples or indicate different ways to comply with a rule. It may expand on a particular subject without being exhaustive. The commentary is not legally binding, but it does reflect the views of the CSA . Commentary always appears in italic type and, outside of this introduction, is titled "Commentary".

PART 1 DEFINITIONS AND APPLICATION

1.1 Investment funds subject to Instrument

(1) This Instrument applies to an investment fund that is a reporting issuer.

(2) In Québec, this Instrument does not apply to a reporting issuer organized under

(a) an Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) R.S.Q., chapter F-3.2.1;

(b) an Act to establish Fondaction, le Fonds de dévelopement de la Confédération des syndicats nationaux pour la coopération et l'emploi (R.S.Q., chapter F-3.1.2); and

(c) an Act constituting Capital régional et coopératif Desjardins (R.S.Q., chapter C-6.1).

Commentary

1. *This Instrument applies to all publicly offered mutual funds and non-redeemable investment funds. Investment funds subject to this Instrument include:*

- *labour sponsored or venture capital funds;*
- *scholarship plans;*
- *mutual funds and closed-end funds listed and posted for trading on a stock exchange or quoted on an over-the-counter market; and*
- *investment funds not governed by National Instrument 81-102* Mutual Funds *(NI 81-102).*

2. *This Instrument does not regulate mutual funds that are not reporting issuers (commonly referred to as pooled funds), for example, mutual funds that sell securities to the public only under capital raising exemptions in securities legislation.*

1.2 Definition of "conflict of interest matter"

In this Instrument, "a conflict of interest matter" means

(a) a situation where a reasonable person would consider a manager, or an entity related to the manager, to have an interest that may conflict with the manager's ability to act in good faith and in the best interests of the investment fund; or

(b) a conflict of interest or self-dealing provision listed in Appendix A that restricts or prohibits an investment fund, a manager or an entity related to the manager from proceeding with a proposed action.

Commentary

1. *Section 5.1 of this Instrument requires that a manager refer all conflict of interest matters to the independent review committee (IRC).*

2. *The CSA do not consider the 'reasonable person' test described in paragraph (a) to capture inconsequential matters. It is expected that, among the factors the manager will look to for guidance to identify conflict of interest matters caught by this Instrument, will be industry best practices. The CSA expect, however, each manager to consider the nature of its investment fund operations when making its decisions about which conflict of interest matters it faces for the funds it manages.*

3. *The types of conflicts of interest faced by the portfolio manager or portfolio adviser (or sub-adviser) or any other entity related to the manager this Instrument captures relate to the decisions made on behalf of the investment fund that may affect or influence the manager's ability to make decisions in good faith and in the best interests of the investment fund. This Instrument is not intended to capture the conflicts of interest at the service provider level generally.*

The CSA expect the manager to consider whether a particular portfolio manager or portfolio adviser or any other 'entity related to the manager' would have any conflicts of interest falling within the definition.

For example, paragraph (a) might, depending on the circumstances, capture these conflicts of the portfolio manager or portfolio adviser:

- *portfolio management processes for the investment fund, including allocation of investments among a family of investment funds; and*
- *trading practices for the investment fund, including negotiating soft dollar arrangements with dealers with whom the adviser places portfolio transactions for the investment fund.*

4. *The CSA contemplate that an 'entity related to the manager' will have its own policies and procedures to address any conflicts of interest in its operations. It is expected the manager will make reasonable inquiries of these policies and procedures. The conflicts of interest facing these entities, including any third party portfolio manager or portfolio adviser, may affect, or be perceived to affect, the manager's ability to make decisions in the best interests of the investment fund. The manager is expected to refer such conflicts to the IRC under this Instrument.*

5. *For greater certainty, paragraph (b) requires that a 'conflict of interest matter' includes any course of action that the investment fund, the manager or an entity related to the manager would otherwise be restricted or prohibited from proceeding with because of a conflict of interest or self-dealing prohibition in securities legislation. These include the types of transactions described under subsection 5.2(1) of this Instrument.*

1.3 Definition of "entity related to the manager"

In this Instrument, "entity related to the manager" means

(a) a person or company that can direct or materially affect the direction of the management and policies of the manager or the investment fund, other than as a member of the independent review committee; or

(b) an associate, affiliate, partner, director, officer or subsidiary of the manager or of a person or company referred to in paragraph (a).

Commentary

1. The CSA consider an 'entity related to the manager' in paragraph (a) to include:

- *the portfolio manager or portfolio adviser (or sub-adviser) of the investment fund, including any third party portfolio manager or portfolio adviser;*
- *the administrator of a scholarship plan; and*
- *any person or company that can materially direct or affect the manager's management or policies, including through contractual agreements or ownership of voting securities.*

1.4 Definition of "independent"

(1) In this Instrument, a member of the independent review committee is "independent" if the member has no material relationship with the manager, the investment fund, or an entity related to the manager.

(2) For the purposes of subsection (1), a material relationship means a relationship which could reasonably be perceived to interfere with the member's judgment regarding a conflict of interest matter.

Commentary

1. Under subsection 3.7(3), all members of the IRC must be independent of the manager, the investment fund and entities related to the manager. The CSA believe that all members must be independent because the principal function of the IRC is to review activities and transactions that involve inherent conflicts of interest between an investment fund and its manager. Given this role, it is important that the members of the IRC are free from conflicting loyalties.

2. While the members of the IRC should not themselves be subject to inherent conflicts or divided loyalties, the CSA recognize that there may be inherent conflicts relating to inter-fund issues where a single IRC acts for a family of investment funds. In those cases, this Instrument requires members to conduct themselves in accordance with their written charter and in accordance with the standard of care set out in this Instrument.

The CSA do not consider the IRC's ability to set its own reasonable compensation to be a material relationship with the manager or investment fund under subsection 1.4(1).

3. *A material relationship referred to in subsection 1.4(1) may include an ownership, commercial, charitable, industrial, banking, consulting, legal, accounting or familial relationship. The CSA expect managers and IRC members to consider both past and current relationships when determining whether a material relationship exists.*

For example, depending on the circumstances, the following individuals may be independent under section 1.4:

- *an independent member of an existing advisory board or IRC of an investment fund;*
- *an independent member or former independent member of the board of directors, or of a special committee of the board of directors, of an investment fund;*
- *a former independent member of the board of directors, or special committee of the board of directors, of the manager;*
- *an individual appointed as a trustee for an investment fund; and*
- *an independent member of the board of directors, or of a special committee of the board of directors, of a registered trust company that acts as trustee for an investment fund.*

By way of further example, the CSA consider it unlikely that the following individuals would be independent under section 1.4:

- *a person who is or has recently been an employee or executive officer of the manager or investment fund; and*
- *a person whose immediate family member is or has recently been an executive officer of the manager or investment fund.*

The CSA also consider that it would be rare that a member of the board of directors, or special committee of the board of directors, of a manager could be 'independent' within the meaning of this Instrument. One such example of when a member of the board of directors of a manager could be 'independent' may be "owner-operated" investment funds, sold exclusively to defined groups of investors, such as members of a trade or professional association or co-operative organization, who directly or indirectly, own the manager. In the case of these investment funds, the CSA view the interests of the independent members of the board of directors of the manager and investors as aligned.

1.5 Definition of "inter-fund self-dealing investment prohibitions"

In this Instrument, "inter-fund self-dealing investment prohibitions" means the provisions listed in Appendix B that prohibit

(a) a portfolio manager from knowingly causing any investment portfolio managed by it to purchase or sell, or

(b) an investment fund from purchasing or selling,

the securities of an issuer from or to the account of a responsible person, an associate of a responsible person or the portfolio manager.

1.6 Definition of "manager"

In this Instrument, "manager" means a person or company that directs the business, operations and affairs of an investment fund.

Commentary

1. *The CSA are of the view that the term 'manager' should be interpreted broadly.*

   The term "manager" is intended to include a group of members on the board of an investment fund or the general partner of an investment fund organized as a limited partnership, where it acts in the capacity of 'manager'/decision-maker.

2. *The CSA have, in connection with prospectus reviews, on occasion encountered investment funds structured in unusual ways. The CSA may examine an investment fund if it seems that it was structured to avoid the operation of this Instrument.*

1.7 Definition of “standing instruction”

In this Instrument, “standing instruction” means a written approval or recommendation from the independent review committee that permits the manager to proceed with a proposed action under section 5.2 or 5.3 on an ongoing basis.

PART 2 FUNCTIONS OF THE MANAGER

2.1 Manager standard of care

A manager in exercising its powers and discharging its duties related to the management of the investment fund must

(a) act honestly and in good faith, and in the best interests of the investment fund; and

(b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Commentary

1. This section introduces a required standard of care for managers in certain jurisdictions and is intended to create a uniform standard of care provision for managers of investment funds subject to this Instrument.

2.2 Manager to have written policies and procedures

(1) Before proceeding with a conflict of interest matter or any other matter that securities legislation requires the manager to refer to the independent review committee, the manager must

(a) establish written policies and procedures that it must follow on that matter or on that type of matter, having regard to its duties under securities legislation; and

(b) refer the policies and procedures to the independent review committee for its review and input.

(2) In establishing the written policies and procedures described in subsection (1), the manager must consider the input of the independent review committee, if any.

(3) The manager may revise its policies and procedures if it provides the independent review committee with a written description of any significant changes for the independent review committee’s review and input before implementing the revisions.

Commentary

1. *Section 2.2 contemplates that a manager should identify for each investment fund the conflict of interest matters it <u>expects</u> will arise and that will be required to be referred to the IRC under section 5.1, and review its policies and procedures for those matters with the IRC.*

Section 2.2 further requires the manager to establish policies and procedures for other matters it <u>expects</u> will arise and that will be required by securities legislation to be referred to the IRC, for example, certain reorganizations and transfers of assets between related mutual funds under Part 5 of NI 81-102.

2. *A manager is expected to establish policies and procedures that are consistent with its obligations to the investment fund under securities legislation to make decisions in the best interests of the fund. Paragraph (1)(a) is intended to reinforce this obligation.*

A manager that manages more than one investment fund may establish policies and procedures for an action or category of actions for all of the investment funds it manages. Alternatively, the manager may establish separate policies and procedures for the action or category of actions for each of its investment funds, or groups of its investment funds.

However structured, the CSA expect the written policies and procedures the manager establishes to be designed to prevent any violations by the manager and the investment fund of securities legislation in the areas that this Instrument addresses, and to detect and promptly correct any violations that occur.

3. *A manager is expected to follow the policies and procedures established under this section. In referring a matter to the IRC under section 5.1, the CSA expect the manager to inform the IRC whether its proposed action follows its written policies and procedures on the matter.*

If an unanticipated conflict of interest matter arises for which the manager does not have a policy and procedure, the CSA expect the manager to bring the matter and its proposed action to the IRC for its review and input at the time the matter is referred to the IRC.

4. Small investment fund families may require fewer written policies and procedures than large fund complexes that, for example, have conflicts of interest as a result of affiliations with other financial service firms.

2.3 Manager to maintain records

A manager must maintain a record of any activity that is subject to the review of the independent review committee, including

(a) a copy of the policies and procedures that address the matter;

(b) minutes of its meetings, if any; and

(c) copies of materials, including any written reports, provided to the independent review committee.

Commentary

1. This section is intended to assist the CSA in determining whether the manager is adhering to this Instrument, and in identifying weaknesses in the manager's policies and procedures if violations do occur. The CSA expect managers to keep records in accordance with existing best practices.

2. A manager is expected under this section to keep minutes only of any material discussions it has at meetings with the IRC or internally on matters subject to the review of the IRC.

The CSA do not view this section or this Instrument as preventing the IRC and manager from sharing record keeping and maintaining joint records of IRC and manager meetings.

3. The CSA expect a manager to keep records of the actions it takes in respect of a matter referred to the IRC. This includes any otherwise restricted or prohibited transactions described in subsection 5.2(1) for which the manager requires the IRC's approval under Part 6 of this Instrument or under Part 4 of NI 81-102.

2.4 Manager to provide assistance

(1) When a manager refers to the independent review committee a conflict of interest matter or any other matter that securities legislation requires it to refer, or refers its policies and procedures related to such matters, the manager must

(a) provide the independent review committee with information sufficient for the independent review committee to properly carry out its responsibilities, including

(i) a description of the facts and circumstances giving rise to the matter;

(ii) the manager's policies and procedures;

(iii) the manager's proposed course of action, if applicable; and

(iv) all further information the independent review committee reasonably requests;

(b) make its officers who are knowledgeable about the matter available to attend meetings of the independent review committee or respond to inquiries of the independent review committee about the matter; and

(c) provide the independent review committee with any other assistance it reasonably requests in its review of the matter.

(2) A manager must not prevent or attempt to prevent the independent review committee, or a member of the independent review committee, from communicating with the securities regulatory authority or regulator.

PART 3 INDEPENDENT REVIEW COMMITTEE

3.1 Independent review committee for an investment fund

An investment fund must have an independent review committee.

Commentary

1. A manager is expected to establish an IRC using a structure that is appropriate for the investment funds it manages, having regard to the expected workload of that committee. For example, a manager may establish one IRC for each of the investment funds it manages, for several of its investment funds, or for all of its investment funds.

2. This Instrument does not prevent investment funds from sharing an IRC with investment funds managed by another manager. This Instrument also does not prevent a third party from offering IRCs for investment funds. Managers of smaller families of investment funds may find these to be cost-effective ways to establish IRCs for their investment funds.

3.2 Initial appointments

The manager must appoint each member of an investment fund's first independent review committee.

3.3 Vacancies and reappointments

(1) An independent review committee must fill a vacancy on the independent review committee as soon as practicable.

(2) A member whose term has expired, or will soon expire, may be reappointed by the other members of the independent review committee.

(3) In filling a vacancy on the independent review committee or reappointing a member of the independent review committee, the independent review committee must consider the manager's recommendations, if any.

(4) A member may not be reappointed for a term or terms of office that, if served, would result in the member serving on the independent review committee for longer than 6 years, unless the manager agrees to the reappointment.

(5) If, for any reason, an independent review committee has no members, the manager must appoint a member to fill each vacancy as soon as practicable.

Commentary

1. Consistent with the manager's role to appoint the first members of an IRC, if at any time the IRC has no members, the manager will also appoint the replacement members. The CSA anticipate that the circumstances contemplated in subsection (5) will occur rarely, such as in the event of a change of manager or change in control of the manager. In these circumstances, managers should consider their timely disclosure obligations under securities legislation.

2. *The manager may suggest candidates and may provide assistance to the IRC in the selection and recruitment process when a vacancy arises. Subsection (3) requires the IRC to consider the manager's recommendation, if any, when filling a vacancy or reappointing a member of the IRC.*

The CSA believe that allowing the IRC to select its own members and decide the term a member can serve will foster independent-minded committees that will be focussed on the best interests of the investment fund. The CSA also consider the members of the IRC to be best-positioned to judge the manner in which a prospective member can contribute to the effectiveness of the IRC.

3. *The maximum term limit of 6 years specified in subsection (4) for a member to serve on an investment fund's IRC is intended to enhance the independence and effectiveness of the IRC. An IRC may reappoint a member beyond the maximum term, but only with the agreement of the manager.*

3.4 Term of office

The term of office of a member of an independent review committee must be not less than 1 year and not more than 3 years, and must be set by the manager or the independent review committee, as the case may be, at the time the member is appointed.

Commentary

1. *To ensure continuity and continued independence from the manager, the CSA recommend that the terms of all IRC members be staggered.*

3.5 Nominating criteria

Before a member of the independent review committee is appointed, the manager or the independent review committee, as the case may be, must consider

(a) the competencies and skills the independent review committee, as a whole, should possess;

(b) the competencies and skills of each other member of the independent review committee; and

(c) the competencies and skills the prospective member would bring to the independent review committee.

Commentary

1. Section 3.5 sets out the criteria the manager and the IRC must consider before appointing a member of the IRC. Subject to these requirements, the manager and the IRC may establish nominating criteria in addition to those set out in this section.

3.6 Written charter

(1) The independent review committee must adopt a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions.

(2) If the independent review committee and the manager agree in writing that the independent review committee will perform functions other than those prescribed by securities legislation, the charter must include a description of the functions that are the subject of the agreement.

(3) In adopting the charter, the independent review committee must consider the manager's recommendations, if any.

Commentary

1. The CSA expect the written charter to set out the necessary policies and procedures to ensure the IRC performs its role adequately and effectively and in compliance with this Instrument. An IRC acting for more than one investment fund may choose to establish a separate charter for each fund. Alternatively, an IRC may choose to establish one charter for all of the investment funds it oversees or groups of investment funds.

2. The IRC should consider the specific matters subject to its review when developing the policies and procedures to be set out in its charter.

3. Without discussing all of the policies and procedures that may be set out in the written charter, the CSA expect that the written charter will include the following:

- *policies and procedures the IRC must follow when reviewing conflict of interest matters,*
- *criteria for the IRC to consider in setting its compensation and expenses and the compensation and expenses of any advisors employed by the IRC,*
- *a policy relating to IRC member ownership of securities of the investment fund, manager or in any*

person or company that provides services to the investment fund or the manager,

- *policies and procedures that describe how a member of the IRC is to conduct himself or herself when he or she faces a conflict of interest, or could be perceived to face a conflict of interest, with respect to a matter being considered or to be considered by the IRC,*
- *policies and procedures that describe how the IRC is to interact with any existing advisory board or board of directors of the investment fund and the manager, and*
- *policies and procedures that describe how any subcommittee of the IRC to which has been delegated any of the functions of the IRC, is to report to the IRC.*

4. *The manager and the IRC may agree that the IRC will perform functions in addition to those prescribed by this Instrument and elsewhere in securities legislation. This Instrument does not preclude those arrangements, nor does this Instrument regulate those arrangements.*

3.7 Composition

(1) An independent review committee must have at least three members.

(2) The size of the independent review committee is to be determined by the manager, with a view to facilitating effective decision-making, and may only be changed by the manager.

(3) Every independent review committee member must be independent.

(4) An independent review committee must appoint a member as Chair.

(5) The Chair of an independent review committee is responsible for managing the mandate, and responsibilities and functions, of the independent review committee.

Commentary

1. *To ensure its effectiveness, a manager should consider the workload of the IRC when determining its size. The CSA expect that the manager will seek the input of the IRC prior to changing the size of the IRC.*

2. *The CSA anticipate that the Chair of the IRC will lead IRC meetings, foster communication among IRC members, and ensure the IRC carries out its responsibilities in a timely and effective manner.*

The CSA expect the IRC Chair will be the primary person to interact with the manager on issues relating to the investment fund. An IRC Chair and the manager may agree to have regular communication as a way for the IRC Chair to keep informed of the operations of the investment fund between meetings, and of any significant events relating to the investment fund.

3. *The requirement that all members of the IRC be independent does not preclude the IRC from consulting with others who can help the members understand matters that are beyond their specific expertise, or help them understand industry practices or trends, for example.*

3.8 Compensation

(1) The manager may set the initial compensation and expenses of an independent review committee that is appointed under section 3.2 or subsection 3.3(5).

(2) Subject to subsection (1), the independent review committee must set reasonable compensation and proper expenses for its members.

(3) When setting its compensation and expenses under subsection (2), the independent review committee must consider

(a) the independent review committee's most recent assessment of its compensation under paragraph 4.2(2)(b); and
(b) the manager's recommendations, if any.

Commentary

1. *This section permits the manager to determine the amount and type of compensation and expenses the IRC members will initially receive. To avoid undue influence from the manager, subsection (2) requires that, subsequent to the initial setting of compensation and other than in the unusual circumstance described in subsection 3.3(5), members of the IRC have the sole authority for determining their compensation. The Instrument permits the manager to recommend to the members of the IRC the amount and type of* *compensation to be paid, and requires the IRC to consider that recommendation.*

2. *The CSA expect the IRC and the manager to decide the IRC's compensation in a manner consistent with good governance practices. Among the factors the IRC and manager should consider when determining the appropriate level of compensation are the following:*

- *the number, nature and complexity of the investment funds and the fund families for which the IRC acts;*
- *the nature and extent of the workload of each member of the IRC, including the commitment of time and energy that is expected from each member;*
- *industry best practices, including industry averages and surveys on IRC compensation; and*
- *the best interests of the investment fund.*

3. *The CSA expect that the IRC and the manager will discuss any instance where the IRC disagrees with the manager's recommendations under paragraph (3)(b), in an attempt to reach an agreement that is satisfactory to both the IRC and the manager.*

3.9 Standard of care

(1) Every member of an independent review committee, in exercising his or her powers and discharging his or her duties related to the investment fund, and, for greater certainty, not to any other person, as a member of the independent review committee must,

(a) act honestly and in good faith, with a view to the best interests of the investment fund; and

(b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(2) Every member of an independent review committee must comply with this Instrument and the written charter of the independent review committee required under section 3.6.

(3) A member of the independent review committee does not breach paragraph (1)(b), if the member exercised the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including reliance in good faith on

(a) a report or certification represented as full and true to the independent review committee by the manager or an entity related to the manager; or

(b) a report of a person whose profession lends credibility to a statement made by the person.

(4) A member of the independent review committee has complied with his or her duties under paragraph (1)(a) if the member has relied in good faith on

(a) a report or certification represented as full and true to the independent review committee by the manager or an entity related to the manager; or

(b) a report of a person whose profession lends credibility to a statement made by the person.

Commentary

1. The standard of care for IRC members under this section is consistent with the special relationship between the IRC and the investment fund.

The CSA consider the role of the members of the IRC to be similar to corporate directors, though with a much more limited mandate, and therefore we would expect any defences available to corporate directors to also be available to IRC members.

2. The CSA consider the best interests of the investment fund referred to in paragraph (1)(a) to generally be consistent with the interests of the securityholders in the investment fund as a whole.

3. It is not the intention of the CSA to create a duty of care on the part of the IRC to any other person under paragraph (1)(b).

3.10 Ceasing to be a member

(1) An individual ceases to be a member of an independent review committee when

(a) the investment fund terminates;

(b) the manager of the investment fund changes, unless the new manager is an affiliate of the former manager; or

(c) there is a change of control of the manager of the investment fund.

(2) An individual ceases to be a member of an independent review committee if

(a) the individual resigns;

(b) the individual’s term of office expires and the member is not reappointed;

(c) a majority of the other members of the independent review committee vote to remove the individual; or

(d) a majority of the securityholders of the investment fund vote to remove the individual at a special meeting called for that purpose by the manager.

(3) An individual ceases to be a member of the independent review committee if the individual is

(a) no longer independent within the meaning of section 1.4 and the cause of the member’s non-independence is not temporary for which the member can recuse himself or herself;

(b) of unsound mind and has been so found by a court in Canada or elsewhere;

(c) bankrupt;

(d) prohibited from acting as a director or officer of any issuer in Canada;

(e) subject to any penalties or sanctions made by a court relating to provincial and territorial securities legislation; or

(f) a party to a settlement agreement with a provincial or territorial securities regulatory authority.

(4) If an individual ceases to be a member of the independent review committee due to a circumstance described in subsection (2), the manager must, as soon as practicable, notify the securities regulatory authority or regulator of the date and the reason the individual ceased to be a member.

(5) The notification referred to in subsection (4) is satisfied if it is made to the investment fund’s principal regulator.

(6) The notice of a meeting of securityholders of an investment fund called to consider the removal of a member under paragraph (2)(d) must comply with the notice requirements set out in section 5.4 of National Instrument 81-102 *Mutual Funds*.

(7) For any member of the independent review committee who receives notice or otherwise learns of a meeting of securityholders called to consider the removal of the member under paragraph (2)(d),

(a) the member may submit to the manager a written statement giving reasons for opposing the removal; and

(b) the manager must, as soon as practicable, send a copy of the statement referred to in paragraph (a) to every securityholder entitled to receive notice of the meeting and to the member unless the statement is included in or attached to the notice documents required by subsection (6).

Commentary

1. The CSA do not anticipate that the securityholder vote contemplated in paragraph 3.10(2)(d) will be routine. When a manager calls a meeting of securityholders to consider the removal of a member, subsection (7) requires that the member will have an opportunity to respond to the manager's notice.

2. In the circumstances described in paragraphs 3.10(1)(b) and (c), all members of the IRC will cease to be members. This does not preclude the new manager from reappointing the former members of the IRC under subsection 3.3(5).

3. Paragraph 3. 10(3)(a) is meant to exclude a situation where a member may face, or be perceived to face, a conflict of interest with respect to a specific conflict of interest matter the IRC is considering.

3.11 Authority

(1) An independent review committee has authority to

(a) request information it determines useful or necessary from the manager and its officers to carry out its duties;

(b) engage independent counsel and other advisors it determines useful or necessary to carry out its duties;

(c) set reasonable compensation and proper expenses for any independent counsel and other advisors engaged by the independent review committee; and

(d) delegate to a subcommittee of at least three members of the independent review committee any of its functions, except the removal of a member under paragraph 3.10(2)(c).

(2) If the independent review committee delegates to a subcommittee under paragraph (1)(d) any of its functions, the subcommittee must report on its activities to the independent review committee at least annually.

(3) Despite any other provision in this Instrument, an independent review committee may communicate directly with the securities regulatory authority or regulator with respect to any matter.

Commentary

1. The CSA recognize that utilizing the manager's staff and industry experts may be important to help the members of the IRC deal with matters that are beyond the level of their expertise, or help them understand different practices among investment funds.

While this Instrument does not require legal counsel or other advisers for the IRC to be independent of the manager or the investment fund, there may be instances when the members of the IRC believe they need access to counsel or advisers who are free from conflicting loyalties. Paragraph (1)(b) gives the IRC the discretion and authority to hire independent legal counsel and other advisers. The CSA expect that the IRC will use independent advisors selectively and only to assist, not replace, IRC decision-making. The CSA do not anticipate that IRCs will routinely use external counsel and other advisers.

2. Paragraph (1)(d) is intended to allow an IRC of more than three members to delegate any of its functions, except the removal of an IRC member, to a subcommittee of at least three members. The CSA expect in such instances that the written charter of the IRC will include a defined mandate and reporting requirements for any subcommittee.

The CSA do not consider delegation by the IRC of a function to a subcommittee to absolve the IRC from its responsibility for the function.

3. *Subsection (3) specifies that the IRC may inform the securities regulatory authority or regulator of any concerns or issues that it may not otherwise be required to report. For example, the IRC may be concerned if very few matters have been referred by the manager for review, or it may have found, or have reasonable grounds to suspect, a breach of securities legislation has occurred. However, the IRC has no obligation to report matters other than those prescribed by this Instrument or elsewhere in securities legislation.*

4. *The CSA do not consider that this section or this Instrument prevents the manager from communicating with the securities regulatory authorities with respect to any matter.*

3.12 Decisions

(1) A decision by the independent review committee on a conflict of interest matter or any other matter that securities legislation requires the independent review committee to review requires the agreement of a majority of the independent review committee's members.

(2) If, for any reason, an independent review committee has two members, a decision by the independent review committee must be unanimous.

(3) An independent review committee with one member may not make a decision.

Commentary

1. *This section requires a decision of the members of the IRC to represent the majority. Should the IRC find itself with two members, subsection (2) permits the IRC to continue to make decisions on conflict of interest matters provided the remaining two members agree.*

3.13 Fees and expenses to be paid by the investment fund

The investment fund must pay from the assets of its fund all reasonable costs and expenses reasonably incurred in the compliance of this Instrument.

Commentary

1. A manager is expected to allocate the costs associated with the IRC on an equitable and reasonable basis amongst the investment funds for which the IRC acts.

This Instrument does not prohibit a manager from reimbursing the investment fund for any of the costs associated with compliance with this Instrument. It is expected that the prospectus will disclose whether or not the manager will reimburse the investment fund.

2. The CSA do not expect costs that the manager or investment fund would ordinarily incur in the operation of the investment fund without the presence of the IRC (for example, rent) to be charged to the investment fund under this section. Among the costs the CSA expect will be charged to the investment fund under this section are the following:

- *the compensation and expenses payable to the members of the IRC and to any independent counsel and other advisers employed by the IRC;*
- *the costs of the orientation and continuing education of the members of the IRC; and*
- *the costs and expenses associated with a special meeting of securityholders called by the manager to remove a member or members of the IRC.*

3.14 Indemnification and insurance

(1) In this section, “member” means:

(a) a member of the independent review committee;

(b) a former member of the independent review committee; and

(c) the heirs, executors, administrators or other legal representatives of the estate of an individual in (a) or (b).

(2) An investment fund and manager may indemnify a member against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the person in respect of any civil, criminal, administrative, investigative or other proceeding in which the member is involved because of being or having been a member.

(3) An investment fund and manager may advance moneys to a member for the costs, charges and expenses of a proceeding referred to in subsection (2). The member must repay the moneys if the member does not fulfill the conditions of subsection (4).

(4) An investment fund and manager may not indemnify a member under subsection (2) unless

(a) the member acted honestly and in good faith, with a view to the best interests of the investment fund; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the member had reasonable grounds for believing that the individual's conduct was lawful.

(5) Despite subsection (2), a member referred to in that subsection is entitled to an indemnity from the investment fund in respect of all costs, charges and expenses reasonably incurred by the member in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the member is subject because of the member's association with the investment fund as described in subsection (2), if the member seeking indemnity

(a) was not judged by the court or other competent authority to have committed any fault or omitted to do anything that ought to have been done; and

(b) fulfills the conditions set out in subsection (4).

(6) An investment fund and manager may purchase and maintain insurance for the benefit of any member referred to in subsection (2) against any liability incurred by the member in his or her capacity as a member.

Commentary

1. This Instrument requires that members of an IRC be accountable for their actions. At the same time, this section does not prevent an investment fund or a manager from limiting a member's financial exposure through insurance and indemnification.

2. *This section permits an investment fund and the manager to indemnify and purchase insurance coverage for the members of the IRC on terms comparable to those applicable to directors of corporations. The broad goals underlying the indemnity provisions are to allow for reimbursement for reasonable good faith behaviour, thereby discouraging the hindsight application of perfection to the IRC's actions.*

Under this section, the investment fund is required to indemnify an IRC member who has been sued and has successfully defended the action, subject to certain conditions. If the IRC member does not defend the action successfully, the investment fund and manager may indemnify the member in certain circumstances. The intention of indemnity is to encourage responsible behaviour yet still permit enough leeway to attract strong candidates.

The two conditions which must be satisfied in either instance under this section for an IRC member to be indemnified are:

- *the IRC member must have acted in a manner consistent with his or her fiduciary duty with respect to the action or matter for which the IRC member is seeking the indemnification; and*
- *the IRC member must have had reasonable grounds for believing that his or her conduct was lawful.*

The CSA expect any such coverage to be on reasonable commercial terms.

3. *It is open to members of the IRC to negotiate contractual indemnities with the manager and the investment fund provided the protection is permissible under this section.*

3.15 Orientation and continuing education

(1) The manager and independent review committee must provide orientation consisting of educational or informational programs that enable a new independent review committee member to understand

(a) the role of the independent review committee and its members collectively; and

(b) the role of the individual member.

(2) The manager may provide a member of the independent review committee with educational or informational programs, as the manager considers useful or necessary, that enable the member to understand the nature and operation of the manager's and investment fund's businesses.

(3) The independent review committee may reasonably supplement the educational and informational programs provided to its members under this section.

Commentary

1. The CSA expect members of the IRC to regularly participate in educational or informational programs that may be useful to the members in understanding and fulfilling their duties.

Section 3.15 sets out only the minimum educational programs that a manager and IRC are expected to provide for members of the IRC. Educational activities could include presentations, seminars or discussion groups conducted by:

- *personnel of the investment fund or manager,*
- *outside experts,*
- *industry groups,*
- *representatives of the investment fund's various service providers, and*
- *educational organizations and institutions.*

2. The CSA expect a discussion of a member's role referred to in paragraph (1)(b) to include a reference to the commitment of time and energy that is expected from the member.

PART 4 FUNCTIONS OF INDEPENDENT REVIEW COMMITTEE

4.1 Review of matters referred by manager

(1) The independent review committee must review and provide its decision under section 5.2 or under section 5.3 to the manager on a conflict of interest matter that the manager refers to the independent review committee for review.

(2) The independent review committee must perform any other function required by securities legislation.

(3) The independent review committee has the authority to choose whether to deliberate and decide on a matter referred to in subsection (1) and (2) in the absence of the manager, any representative of the manager and any entity related to the manager.

(4) Despite subsection (3), an independent review committee must hold at least one meeting annually at which the manager, any representative of the manager or any entity related to the manager are not in attendance.

(5) The independent review committee has no power, authority or responsibility for the operation of the investment fund or the manager except as provided in this section.

Commentary

1. The Instrument requires the IRC only to consider matters referred to it by the manager that involve or may be perceived to involve a conflict of interest for the manager between its own interests and its duty to manage an investment fund.

Securities legislation also requires the IRC to consider other matters. For example, a change in a mutual fund's auditor and certain reorganizations and transfers of assets between related mutual funds under Part 5 of NI 81-102 require the review and prior approval of the IRC for the manager to proceed.

2. The manager and the IRC may agree that the IRC will perform functions in addition to those prescribed by this Instrument and elsewhere in securities legislation. This Instrument does not preclude those arrangements, nor does this Instrument regulate those arrangements.

3. Subsection (3) permits the IRC to decide who, other than IRC members, may attend any IRC meeting other than the meeting referred to in subsection (4). Subsection (3) also does not preclude the IRC from receiving oral or written submissions from the manager or from holding meetings with representatives of the manager or an entity related to the manager or any other person not independent under this Instrument. The CSA believe utilizing the manager's staff and industry experts may be important to help the members of the IRC understand matters that are beyond their specific expertise, or help them understand different practices among investment funds.

4. The requirement that the IRC hold at least one meeting without anyone else present (including management of the investment fund) is intended to give the members of the IRC an opportunity to speak freely about any sensitive issues, including any concerns about the manager.

The CSA are of the view that subsection (4) is satisfied if the IRC holds a portion of any meeting annually without the presence of the manager, any representative of the manager or any entity related to the manager.

4.2 Regular assessments

(1) At least annually, the independent review committee must review and assess the adequacy and effectiveness of

(a) the manager's written policies and procedures required under section 2.2;

(b) any standing instruction it has provided to the manager under section 5.4;

(c) the manager's and the investment fund's compliance with any conditions imposed by the independent review committee in a recommendation or approval it has provided to the manager; and

(d) any subcommittee to which the independent review committee has delegated, under paragraph 3.11(1)(d), any of its functions.

(2) At least annually, the independent review committee must review and assess

(a) the independence of its members; and

(b) the compensation of its members.

(3) At least annually, the independent review committee must review and assess its effectiveness as a committee, as well as the effectiveness and contribution of each of its members.

(4) The review by the independent review committee required under subsection (3) must include a consideration of

(a) the independent review committee's written charter referred to in section 3.6;

(b) the competencies and knowledge each member is expected to bring to the independent review committee;

(c) the level of complexity of the issues reasonably expected to be raised by members in connection with the matters under review by the independent review committee; and

(d) the ability of each member to contribute the necessary time required to serve effectively on the independent review committee.

Commentary

1. Section 4.2 sets out the minimum assessments the independent review committee must perform. Subject to these requirements, the IRC may establish a process for (and determine the frequency of) additional assessments as it sees fit.

2. The annual self-assessment by the IRC should improve performance by strengthening each member's understanding of his or her role and fostering better communication and greater cohesiveness among members.

3. When evaluating individual performance, it is expected that the IRC consider factors such as the member's attendance and participation in meetings, continuing education activities and industry knowledge. The manager may also provide IRC members with feedback which the IRC may consider.

It is expected the self-assessment should focus on both substantive and procedural aspects of the IRC's operations. When evaluating the IRC's structure and effectiveness, the IRC should consider factors such as the following:

- *the frequency of meetings;*
- *the substance of meeting agendas;*
- *the policies and procedures that the manager has established to refer matters to the IRC;*
- *the usefulness of the materials provided to the members of the IRC;*
- *the collective experience and background of the members of the IRC;*
- *the number of funds the IRC oversees; and*
- *the amount and form of compensation the members receive from an individual investment fund and in aggregate from the fund family.*

4. The CSA expect the members of an IRC to respond appropriately to address any weaknesses found in a self-assessment. For example, it may be necessary to improve the IRC members' continuing education, recommend ways to improve the quality and sufficiency of the information provided to them, or recommend to the manager decreasing the number of investment funds under the IRC's oversight.

In rare circumstances, the IRC may consider removing a member of the IRC as contemplated under paragraph 3.10(2)(c) as a result of the self-assessment.

4.3 Reporting to the manager

The independent review committee must as soon as practicable deliver to the manager a written report of the results of an assessment under subsection 4.2(1) and (2) that includes

(a) a description of each instance of a breach of any of the manager's policies or procedures of which the independent review committee is aware, or that it has reason to believe has occurred;

(b) a description of each instance of a breach of a condition imposed by the independent review committee in a recommendation or approval it has provided to the manager, of which the independent review committee is aware, or that it has reason to believe has occurred; and

(c) recommendations for any changes the independent review committee considers should be made to the manager's policies and procedures.

4.4 Reporting to securityholders

(1) An independent review committee must prepare, for each financial year of the investment fund and no later than the date the investment fund files its annual financial statements, a report to securityholders of the investment fund that describes the independent review committee and its activities for the financial year and includes

(a) the name of each member of the independent review committee at the date of the report, with

(i) the member's length of service on the independent review committee;

(ii) the name of any other fund family on whose independent review committee the member serves; and

(iii) if applicable, a description of any relationship that may cause a reasonable person to question the member's independence and the basis upon which the independent review committee determined that the member is independent;

(b) the percentage of securities of each class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate, by all the members of the independent review committee of the investment fund

(i) in the investment fund if the aggregate level of ownership exceeds 10 percent;

(ii) in the manager; or

(iii) in any person or company that provides services to the investment fund or the manager;

(c) the identity of the Chair of the independent review committee;

(d) any changes in the composition or membership of the independent review committee during the period;

(e) the aggregate compensation paid to the independent review committee and any indemnities paid to members of the independent review committee by the investment fund during the period;

(f) a description of the process and criteria used by the independent review committee to determine the appropriate level of compensation of its members and any instance when, in setting the compensation and expenses of its members, the independent review committee did not follow the recommendation of the manager, including

(i) a summary of the manager's recommendation; and

(ii) the independent review committee's reasons for not following the recommendation;

(g) if known, a description of each instance when the manager acted in a conflict of interest matter referred to the independent review committee for which the independent review committee did not give a positive recommendation, including

(i) a summary of the recommendation; and

(ii) if known, the manager's reasons for proceeding without following the recommendation of the independent review committee and the result of proceeding;

(h) if known, a description of each instance when the manager acted in a conflict of interest matter but did not meet a condition imposed by the independent review committee in its recommendation or approval, including

(i) the nature of the condition;

(ii) if known, the manager's reasons for not meeting the condition; and

(iii) whether the independent review committee is of the view that the manager has taken, or proposes to take, appropriate action to deal with the matter; and

(i) a brief summary of any recommendations and approvals the manager relied upon during the period.

(2) The report required under subsection (1) must as soon as practicable

(a) be sent by the investment fund, without charge, to a securityholder of the investment fund, upon the securityholder's request;

(b) be made available and prominently displayed by the manager on the investment fund's, investment fund family's or manager's website, if it has a website;

(c) be filed by the investment fund with the securities regulatory authority or regulator; and

(d) be delivered by the independent review committee to the manager.

Commentary

1. The report to be filed with the securities regulatory authorities should be filed on the SEDAR group profile number of the investment fund as a continuous disclosure document. The CSA expect that the investment fund will pay any reasonable costs associated with the filing of the report.

2. It is expected the report will be displayed in an easily visible location on the home page of the website of the investment fund, the investment fund family or the manager, as applicable. The CSA expect the report to remain on the website at least until the posting of the next report.

3. The disclosure required in subparagraph (1)(a)(iii) is expected to be provided only in instances where a member could reasonably be perceived to not be 'independent' under this Instrument.

4.5 Reporting to securities regulatory authorities

(1) If the independent review committee is aware of an instance where the manager acted in a conflict of interest matter under subsection 5.2(1) but did not comply with a condition or conditions imposed by securities legislation or the independent review committee in its approval, the independent review committee must, as soon as practicable, notify in writing the securities regulatory authority or regulator.

(2) The notification referred to in subsection (1) is satisfied if it is made to the investment fund's principal regulator.

Commentary

1. Subsection (1) captures a breach of a condition imposed for an otherwise prohibited or restricted transaction described in subsection 5.2(1), for which the manager has acted under Part 6 of this Instrument or under Part 4 of NI 81-102. This includes a breach of a condition imposed by the IRC as part of its approval (including a standing instruction), or, for example, any conditions imposed for inter-fund trading under section 6.1 of this Instrument or section 4.3 of NI 81-102, for transactions in securities of related issuers under section 6.2 of this Instrument, and for purchases of securities underwritten by related underwriters under section 4.1 of NI 81-102.

The CSA consider that a breach of a condition imposed by securities legislation (including this Instrument) or by the IRC in a transaction described in subsection 5.2(1) will result in the transaction having been made in contravention of securities legislation. In such instances, the securities regulatory authorities may consider taking various action, including requiring the manager to unwind the transaction and pay any costs associated with doing so.

2. *The CSA expect that the IRC will include in its notification the steps the manager proposes to take, or has taken, to remedy the breach, if known.*

3. *Notification under this section is not intended to be a mechanism to resolve disputes between an IRC and a manager, or to raise inconsequential matters with the securities regulatory authorities.*

4. *The CSA do not view this section or this Instrument as preventing the manager from communicating with the securities regulatory authorities with respect to any matter.*

4.6 Independent review committee to maintain records

An independent review committee must maintain records, including

(a) a copy of its current written charter;

(b) minutes of its meetings;

(c) copies of any materials and written reports provided to it;

(d) copies of materials and written reports prepared by it; and

(e) the decisions it makes.

Commentary

1. *Section 4.6 sets out the minimum requirements regarding the record keeping by an IRC. The CSA expect IRCs to keep records in accordance with existing best practices.*

2. *The IRC is expected under paragraph (b) to keep minutes only of any material discussions it has at meetings with the manager or internally on matters subject to its review.*

The CSA do not view this section or this Instrument as preventing the IRC and manager from sharing record keeping and maintaining joint records of IRC and manager meetings.

3. The CSA expect the IRC to keep records of any actions it takes in respect of a matter referred to it, in particular any transaction otherwise prohibited or restricted by securities legislation, as described in subsection 5.2(1), for which the manager has sought the approval of the IRC.

PART 5 CONFLICT OF INTEREST MATTERS

5.1 Manager to refer conflict of interest matters to independent review committee

(1) Subject to section 5.4, when a conflict of interest matter arises, and before taking any action in the matter, the manager must

(a) determine what action it proposes to take in respect of the matter, having regard to

(i) its duties under securities legislation; and

(ii) its written policies and procedures on the matter; and

(b) refer the matter, along with its proposed action, to the independent review committee for its review and decision.

(2) If a manager must hold a meeting of securityholders to obtain securityholder approval before taking an action in a conflict of interest matter, the manager must include a summary of the independent review committee's decision under subsection (1) in the notice of the meeting.

Commentary

1. Section 5.1 recognizes that a manager may not be able to objectively determine whether it is acting in the best interests of the investment fund when it has a conflict of interest. This section requires managers to refer all conflict of interest matters – not just those subject to prohibitions or restrictions under securities legislation - to the IRC so that an independent perspective can be brought to bear on the manager's proposed action.

A decision tree for different types of conflict of interest matters is set out in Appendix A to the Commentary.

While the CSA expect the IRC to bring a high degree of rigour and skeptical objectivity to its review of conflict of interest matters, the CSA do not consider it the role of the IRC to second-guess the investment or business decisions of a manager or an entity related to the manager.

2. Section 5.1 sets out how the manager must proceed when faced with a conflict of interest matter.

Referring proposed actions involving conflict of interest matters to the IRC for its review is not considered by the CSA to detract from the manager's obligations to the investment fund under securities legislation to make decisions in the best interests of the fund. Subparagraph (a)(i) is intended to reinforce this obligation.

3. In referring a matter to the IRC, a manager is expected to inform the IRC whether its proposed action follows its written policies and procedures on the matter under section 2.2.

If an unanticipated conflict of interest matter arises for which the manager does not have an existing written policy and procedure, the CSA expect the manager to bring the matter and its proposed action to the IRC for its review and input at the time the matter is referred to the IRC.

4. There may be matters that are subject to a securityholder vote that also involve a "conflict of interest matter" under this Instrument. For example, increases in the charges of the manager to the mutual fund will be a conflict of interest matter as well as a matter subject to a securityholder vote under Part 5 of National Instrument 81-102 Mutual Funds*. For these matters, subsection (2) requires a manager to refer the matter first to the IRC before seeking the approval of securityholders, and to include a summary of the IRC's decision in the written notice to securityholders.*

5.2 Matters requiring independent review committee approval

(1) A manager may not proceed with a proposed action under section 5.1 without the approval of the independent review committee if the action is

(a) an inter-fund trade as described in subsection 6.1(2) of this Instrument or a transaction as described in subsection 4.2(1) of National Instrument 81-102 *Mutual Funds*;

(b) a transaction in securities of an issuer as described in subsection 6.2(1) of this Instrument; or

(c) an investment in a class of securities of an issuer underwritten by an entity related to the manager as described in subsection 4.1(1) of National Instrument 81-102 *Mutual Funds*.

(2) An independent review committee must not approve an action unless it has determined, after reasonable inquiry, that the action

(a) is proposed by the manager free from any influence by an entity related to the manager and without taking into account any consideration relevant to an entity related to the manager;

(b) represents the business judgment of the manager uninfluenced by considerations other than the best interests of the investment fund;

(c) is in compliance with the manager's written policies and procedures relating to the action; and

(d) achieves a fair and reasonable result for the investment fund.

Commentary

1. For the transactions described in subsection (1), provided the manager receives the IRC's approval under this section, and satisfies the additional conditions imposed under the applicable sections of Part 6 of this Instrument or Part 4 of NI 81-102, the manager will be permitted to proceed with the action without obtaining regulatory exemptive relief.

The IRC may give its approval for certain actions or categories of actions in the form of a standing instruction as described in section 5.4. If no standing instruction is in effect, the manager is required to seek the IRC's approval prior to proceeding with any action set out in subsection (1). An IRC may consider as guidance any conditions in prior exemptive relief orders, waivers or approvals obtained from the securities regulatory *authorities when contemplating the appropriate terms and conditions in its approval.*

2. If the IRC does not approve a proposed action described in subsection (1), the manager is not permitted to proceed without obtaining exemptive relief from the securities regulatory authorities. The CSA consider it in the best interests of the investment fund, and ultimately investors, for the IRC to be able to stop any proposed action which does not meet the test in subsection (2).

3. The CSA would usually expect that, before the IRC approves a proposed action described in subsection (1), it will have requested from the manager or others a report or certification to assist in its determination that the test in subsection (2) has been met.

4. The CSA expect that the manager will discuss with the IRC any instance where the IRC does not approve a proposed action, so that an alternative action satisfactory to both the manager and the IRC can be found, if possible.

5. The CSA consider that the ability of the manager to seek the removal of a member or members of the IRC under paragraph 3.10(2)(d) sufficiently addresses any concern that a manager may have about an IRC's ongoing refusal to approve matters.

5.3 Matters subject to independent review committee recommendation

(1) Before a manager may proceed with a proposed action under section 5.1 other than those set out in subsection 5.2(1),

(a) the independent review committee must provide a recommendation to the manager as to whether, in the committee's opinion after reasonable inquiry, the proposed action achieves a fair and reasonable result for the investment fund; and

(b) the manager must consider the recommendation of the independent review committee.

(2) If the manager decides to proceed with an action in a conflict of interest matter that, in the opinion of the independent review committee after reasonable inquiry, does not achieve a fair and reasonable result for the investment fund under paragraph (1)(a), the manager must notify in writing the independent review committee before proceeding with the proposed action.

(3) Upon receiving the notification described in subsection (2), the independent review committee may require the manager to notify securityholders of the investment fund of the manager's decision.

(4) A notification to securityholders under subsection (3) must

(a) sufficiently describe the proposed action of the manager, the recommendation of the independent review committee and the manager's reasons for proceeding;

(b) state the date of the proposed implementation of the action; and

(c) be sent by the manager to each securityholder of the investment fund at least thirty days before the effective date of the proposed action.

(5) The investment fund must, as soon as practicable, file the notification referred to in subsection (4) with the securities regulatory authority or regulator upon the notice being sent to securityholders.

Commentary

1. This section captures all conflict of interest matters a manager encounters other than those listed in subsection 5.2(1). This includes conflict of interest matters prohibited or restricted by securities legislation not specified in subsection 5.2(1), and a manager's business and commercial decisions made on behalf of the investment fund that may be motivated, or be perceived to be motivated, by the manager's own interests rather than the best interests of the investment fund. Examples include:

- *increasing charges to the investment fund for costs incurred by the manager in operating the fund;*
- *correcting material errors made by the manager in administering the investment fund;*
- *negotiating soft dollar arrangements with dealers with whom the manager places portfolio transactions for the investment fund; and*

- *choosing to bring services in-house over using third-party service providers.*

The CSA expect that, in seeking guidance in identifying conflict of interest matters caught by this Instrument, among the factors the manager will look to for guidance to identify conflict of interest matters will be industry best practices. However, the CSA also acknowledge that each manager will need to consider the nature of its investment fund operations in determining a conflict of interest matter.

2. *The CSA expect the IRC's recommendation to state a positive or negative response as to whether they view the proposed action as achieving a fair and reasonable result for the investment fund.*

3. *For a proposed action in a conflict of interest matter under this section that is prohibited or restricted by securities legislation (but not specified in subsection 5.2(1)), a manager will still need to seek exemptive relief from the securities regulatory authorities.*

4. *Subsection (2) recognizes that, in exceptional circumstances, the manager may decide to proceed with a proposed course of action despite a negative recommendation from the IRC. In such instances, subsection (2) requires the manager to notify the IRC before proceeding with the action. If the IRC determines that the proposed action is sufficiently important to warrant notice to securityholders in the investment fund, the IRC has the authority to require the manager to give such notification before proceeding with the action.*

The CSA anticipate that the situation of a manager proceeding with a conflict of interest matter, despite a negative recommendation by the IRC, will occur infrequently.

5. *The notification referred to in subsection (5) should be filed on the SEDAR group profile number of the investment fund as a continuous disclosure document.*

5.4 Standing instructions by the independent review committee

(1) Despite section 5.1, the manager is not required to refer a conflict of interest matter nor its proposed action to the independent review committee if the manager complies with the terms of a standing instruction that is in effect.

(2) For any action for which the independent review committee has provided a standing instruction, at the time of the independent review committee's regular assessment described in subsection 4.2(1),

(a) the manager must provide a written report to the independent review committee describing each instance that it acted in reliance on a standing instruction; and

(b) the independent review committee must

(i) review and assess the adequacy and effectiveness of the manager's written policies and procedures on the matter or on that type of matter with respect to all actions permitted by each standing instruction;

(ii) review and assess the manager's and investment fund's compliance with any conditions imposed by it in each standing instruction;

(iii) reaffirm or amend each standing instruction;

(iv) establish new standing instructions, if necessary; and

(v) advise the manager in writing of all changes to the standing instructions.

(3) A manager may continue to rely on a standing instruction under subsection (1) until such time as the independent review committee notifies the manager that the standing instruction has been amended or is no longer in effect.

Commentary

1. Section 5.4 recognizes that there are certain actions or categories of actions of the manager for which it may be appropriate for the IRC to choose to provide a standing instruction. For example, this may include a manager's ongoing voting of proxies on securities held by the investment fund when the manager has a business relationship with the issuer of the securities, or, a manager's decision to engage in inter-fund trading.

2. The CSA expect that, before providing or continuing a standing instruction to the manager for an action or category of actions, the IRC will have:

- *reviewed the manager's written policies and procedures with respect to the action or category of actions;*
- *requested from the manager or other persons a report or certification to assist in deciding whether to give its approval or recommendation for the action or category of actions under subsection 5.2(1) or 5.3(1), as the case may be;*
- *considered whether a standing instruction for the particular action or category of actions is appropriate for the investment fund; and*
- *established very clear terms and conditions surrounding the standing instruction for the action or category of actions.*

An IRC may consider including in any standing instruction any terms or conditions in prior exemptive relief orders, waivers or approvals obtained from the securities regulatory authorities.

3. As part of the IRC's review under subparagraph (2)(b)(ii), the IRC is expected to be mindful of its reporting obligation under section 4.5 of this Instrument, which includes notifying the securities regulatory authorities of any instance where the manager, in proceeding with an action, did not meet a condition imposed by the IRC in its approval (this includes a standing instruction).

4. This section is intended to improve the flexibility and timeliness of the manager's decisions concerning a proposed course of action in a conflict of interest matter.

PART 6 EXEMPTED TRANSACTIONS

6.1 Inter-fund trades

(1) In this section

(a) “current market price of the security” means,

(i) if the security is an exchange-traded security or a foreign exchange-traded security,

(A) the closing sale price on the day of the transaction as reported on the exchange upon which the security is listed or the quotation trade reporting system upon which the security is quoted, or

(B) if there are no reported transactions for the day of the transaction, the average of the highest current bid and lowest current ask for the security as displayed on the exchange upon which the security is listed or the quotation trade reporting system upon which the security is quoted, or

(C) if the closing sale price on the day of the transaction is outside of the closing bid and closing ask, the average of the highest current bid and lowest current ask for the security as displayed on the exchange upon which the security is listed or the quotation trade reporting system upon which the security is quoted; or

(ii) for all other securities, the average of the highest current bid and lowest current ask determined on the basis of reasonable inquiry; and

(b) “market integrity requirements” means

(i) if the security is an exchange-traded security, the purchase or sale

(A) is printed on a marketplace that executes trades of the security; and

(B) complies with the market conduct and display requirements of the marketplace, its regulation services provider and securities regulatory authorities; or

(ii) if the security is a foreign exchange-traded security, the purchase or sale complies with the requirements that govern transparency and trading of foreign exchange-traded securities on the foreign exchange or foreign quotation and trade reporting system; or

(iii) for all other securities, the purchase or sale is through a dealer, if the purchase or sale is required to be reported by a registered dealer under applicable securities legislation.

(2) The portfolio manager of an investment fund may purchase a security of any issuer from, or sell a security of any issuer to, another investment fund managed by the same manager or an affiliate of the manager, if, at the time of the transaction

(a) the investment fund is purchasing from, or selling to, another investment fund to which this Instrument applies;

(b) the independent review committee has approved the transaction under subsection 5.2(2);

(c) the bid and ask price of the security is readily available;

(d) the investment fund receives no consideration and the only cost for the trade is the nominal cost incurred by the investment fund to print or otherwise display the trade;

(e) the transaction is executed at the current market price of the security;

(f) the transaction is subject to market integrity requirements; and

(g) the investment fund keeps written records, including

(i) a record of each purchase and sale of securities;

(ii) the parties to the trade; and

(iii) the terms of the purchase or sale

for five years after the end of the fiscal year in which the trade occurred, the most recent two years in a reasonably accessible place.

(3) The provisions of National Instrument 21-101 *Marketplace Operation*, and Part 6 and Part 8 of National Instrument 23-101 *Trading Rules*, do not apply to a portfolio manager or portfolio adviser of an investment fund, or an investment fund, with respect to a purchase or sale of a security referred to in subsection (2) if the purchase or sale is made in accordance with that subsection.

(4) The inter-fund self-dealing investment prohibitions do not apply to a portfolio manager or portfolio adviser of an investment fund, or an investment fund, with respect to a purchase or sale of a security referred to in subsection (2) if the purchase or sale is made in accordance with that subsection.

(5) The dealer registration requirement does not apply to a portfolio manager of an investment fund, with respect to a purchase or sale of a security referred to in subsection (2) if the purchase or sale is made in accordance with that subsection.

(6) In subsection (5). "dealer registration requirement" has the meaning ascribed to that term in National Instrument 14-101 *Definitions*.

Commentary

1. The term "inter-fund self-dealing investment prohibitions" is defined in section 1.5 of this Instrument. It is intended to capture the prohibitions in the securities legislation and certain regulations of each securities regulatory authority regarding inter-fund trades.

2. This section is intended to exempt investment funds from the prohibitions in the securities legislation and certain regulations that preclude inter-fund trades. It is not intended to apply to securities issued by an investment fund that are purchased by another fund within the same fund family.

The CSA are of the view that this section applies to inter-fund trades between fund families of the same manager provided the purchase or sale is made in accordance with subsection (2).

3. This section is also intended to provide a portfolio manager with a dealer registration exemption, where necessary, for inter-fund trades made in accordance with this section, but will not apply to any other activities of the portfolio manager. The exemption is based on compliance with this Instrument and the limitation of its application to prospectus-qualified investment funds. The CSA note that the Registration Reform project may re-examine this exemption.

4. This section sets out the minimum conditions for inter-fund trades to proceed without regulatory exemptive relief. An IRC may consider including in any approval any terms or conditions in prior exemptive relief orders, waivers or approvals obtained from the securities regulatory authorities.

5. This section does not specify the policies and procedures that a manager must have to effect inter-fund trades. However, the CSA expect the manager's policies to include factors or criteria for

- *allocating securities purchased for or sold by two or more investment funds managed by the manager; and*
- *ensuring that the terms of purchase or sale will be no less beneficial to the investment fund than those generally available to other market participants in arm's-length transactions.*

6. The CSA expect that the IRC may give its approval in the form of a standing instruction under section 5.4, to give the manager greater flexibility to take advantage of perceived market opportunity.

7. Paragraph (2)(c) requires that the market quotations for the transactions be transparent. The CSA expect that if the price information is publicly available from a marketplace, newspaper or through a data vendor, for example, this will be the price. If the price is not publicly available, the CSA expect the investment fund to obtain at least one quote from an independent, arm's-length purchaser or seller, immediately before the purchase or sale.

8. The CSA consider the requirement in paragraph (2)(f) to be a way to facilitate price discovery and integrity. The CSA believe this is essential to well-functioning and efficient capital markets. Subparagraph (1)(b)(iii) is intended to capture, for corporate debt securities, the requirement, if applicable, to report the trade to CanPx, and for illiquid securities, the requirement, if applicable, to report the trade to the Canadian Unlisted Board (CUB).

9. Paragraph (2)(g) sets out the minimum expectations regarding the records an investment fund must keep of its inter-fund trades made in reliance on this section. The records should be detailed, and sufficient to establish a proper audit trail of the transactions.

6.2 Transactions in securities of related issuers

(1) An investment fund may make or hold an investment in the security of an issuer related to it, its manager, or an entity related to the manager, if

(a) at the time that the investment is made,

(i) the independent review committee has approved the investment under subsection 5.2(2); and

(ii) the purchase is made on an exchange on which the securities of the issuer are listed and traded; and

(b) no later than the time the investment fund files its annual financial statements, the manager of the investment fund files with the securities regulatory authority or regulator the particulars of the investment.

(2) The mutual fund conflict of interest investment restrictions do not apply to a mutual fund with respect to an investment referred to in subsection (1) if the investment is made in accordance with that subsection.

(3) In subsection (2), “mutual fund conflict of interest investment restrictions” has the meaning ascribed to that term in National Instrument 81-102 *Mutual Funds*.

(4) In Quebec, Section 236 of the Securities Regulation does not apply to a portfolio adviser or registered person acting under a management contract with respect to an investment referred to in subsection (1) on behalf of an investment fund, if the investment is made in accordance with that subsection.

Commentary

1. This section is intended to relieve investment funds in Quebec, and mutual funds elsewhere in Canada, from the prohibitions in the securities legislation of each securities regulatory authority that preclude investments in securities of related issuers.

2. This section sets out the minimum conditions for purchases to proceed without regulatory exemptive relief. An IRC may consider including in any approval any terms or conditions in prior exemptive relief orders, waivers or approvals obtained from the securities regulatory authorities.

The CSA expect that the IRC may give its approval in the form of a standing instruction as described in section 5.4 to allow the manager greater flexibility in its decisions.

3. This section contemplates that the manager will comply with the applicable reporting requirements under securities legislation for each purchase. The filing referred to in paragraph (1)(b) should be filed on the SEDAR group profile number of the investment fund, as a continuous disclosure document.

4. If an IRC gives its approval for the investment fund to purchase securities of an issuer described in this section, and then subsequently withdraws its approval for additional purchases, the CSA will not consider the continued holding of the securities to be subject to subsection 1.2(b) of the Instrument. However, we will expect the manager to consider whether continuing to hold those securities is a conflict of interest matter that subsection 1.2(a) of the Instrument would require the manager to refer to the IRC.

PART 7 EXEMPTIONS

7.1 Exemptions

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

(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

7.2 Existing exemptions, waivers or approvals

Any exemption, waiver or approval under a provision of securities legislation that was effective before this Instrument came into force and that deals with the matters that this Instrument regulates, will expire one year after this Instrument comes into force.

Commentary

1. The CSA have, in a number of jurisdictions, granted exemptions and waivers from the conflict of interest and self-dealing provisions in securities legislation to permit the manager and/or the investment fund to make investments not otherwise permitted by securities legislation. Some of those exemptions and waivers contained "sunset" provisions that provided for the expiry of the exemption or waiver upon the coming into force of legislation or a CSA policy or rule that effectively provides for fund governance.

For greater certainty, the CSA note that the coming into force of section 7.2 of this Instrument will effectively cause all exemptions and waivers that deal with the matters regulated by this Instrument - not just those exemptions and waivers that deal with the matters under subsection 5.2(1) - to expire one year after its coming into force whether or not they contained a "sunset" provision.

PART 8 EFFECTIVE DATE

8.1 Effective date

This Instrument comes into force on November 1, 2006.

8.2 Transition

(1) Despite section 8.1, this Instrument does not apply to an investment fund until the earlier of

(a) the date on which the manager provides to the securities regulatory authority or regulator the notification referred to in subsection (4); and

(b) the date one year after this Instrument comes into force.

(2) Despite subsection (1), six months from the date this Instrument comes into force the manager must appoint the first members of the independent review committee under section 3.2 in compliance with this Instrument.

(3) Despite section 4.4, the independent review committee's first report to securityholders must be completed by the 120th day after the end of the first financial year of the investment fund to which this Instrument applies.

(4) A manager of an investment fund must notify the securities regulatory authority or regulator in writing if it intends to comply with this Instrument prior to the expiration of the transition period under subsection (1).

(5) The notification referred to in subsection (4) is satisfied if the notification is made to the investment fund's principal regulator.

Commentary

1. Section 8.2 is intended to address transitional concerns.

The CSA expect that all investment funds will be compliant with this Instrument following the expiry of the transition period under subsection 8.2(1), twelve months after the Instrument is in force. For an investment fund established after the expiry of the transition period, it is expected that the investment fund will be compliant with this Instrument before any purchase order for securities of the investment fund is accepted.

2. Subsection 8.2(2) allows a manager an extra six months from the date this Instrument is in force to appoint the initial members of the IRC.

While a six month transition period exists for the appointment of IRC members, the CSA strongly encourage a timely appointment of the IRC by the manager so that within the twelve month transitional period there is sufficient time for the IRC to adopt its charter, to review the manager's policies and procedures, and to review (subject to manager referral) any existing conflict of interest matters.

The transition period is also intended to give the manager sufficient time to refer existing and new conflict of interest matters to the IRC for its review and determination.

3. *The CSA anticipate a manager or investment fund may wish to rely on the Instrument before the expiry of the transition period so that it may proceed with IRC approval for an otherwise prohibited or restricted transaction in securities legislation described in subsection 5.2(1). This may not occur unless there is complete compliance with the Instrument. Subsection (4) is intended to assist the CSA in knowing which managers of investment funds are proceeding in this manner before the expiry of the transition period.*

4. *For investment funds established before the expiry of the transition period, the CSA expect the manager to establish policies and procedures on any conflict of interest matters (if they do not already have them), and to refer to the IRC these policies and procedures and any decisions related to such matters prior to the end of the transition period.*

5. *The CSA do not consider a manager's organization of an investment fund (such as the initial setting of fees or the initial choice of service providers) to be subject to IRC review, unless the manager's decisions give rise to a conflict of interest concerning the manager's obligations to existing investment funds within the manager's fund family. However, the CSA expect the manager will establish policies and procedures for any conflict of interest matters arising from the investment fund's organization or otherwise, and refer to the IRC these policies and procedures and any decisions related to such matters.*

   It is anticipated that the manager will wish to engage the IRC early in the establishment of the investment fund to ensure the IRC is adequately informed of potential new conflicts of interest.

6. *An investment fund, whether established before or after the date this Instrument comes into force, has a total transition period of up to twelve months from the date the Instrument comes into force to comply with the Instrument. Only if the manager of an investment fund intends to comply with the Instrument in its entirety before the expiry of the transition period is the notice in subsection (4) required.*

7. *It is expected that investment funds will incorporate any new disclosure obligations arising out of this Instrument as part of their annual prospectus renewal or continuous*

disclosure filing following the expiry of the transition period.

8. The CSA do not consider the expenses incurred by existing investment funds in establishing an IRC under this Instrument to be caught by section 5.1 of NI 81-102. We do not view section 5.1 as intending to capture the costs associated with compliance by an investment fund with new regulatory requirements.

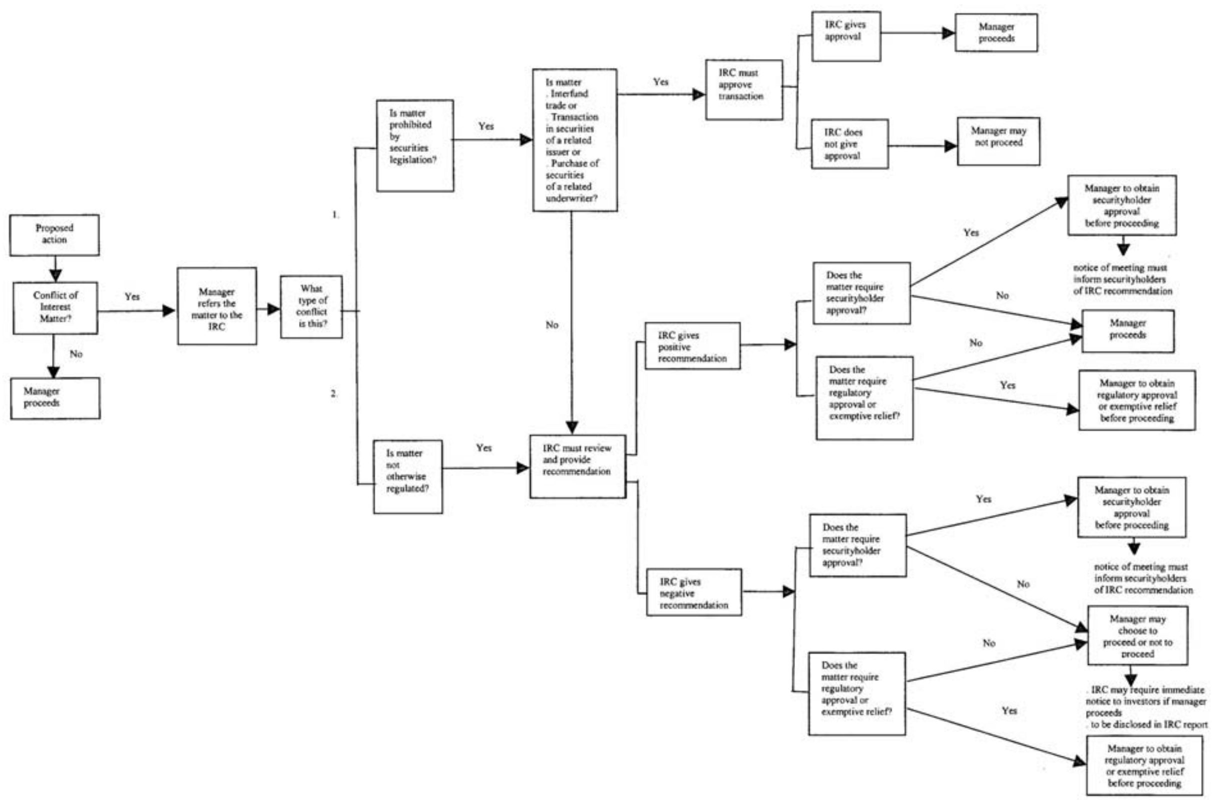
APPENDIX A – CONFLICT OF INTEREST OR SELF-DEALING PROVISIONS

JURISDICTION	SECURITIES LEGISLATION REFERENCE
Alberta	Part 15 – Insider Trading and Self-Dealing of the *Securities Act* (Alberta)
British Columbia	Part 15 - Self-Dealing of the *Securities Act* (British Columbia)
Manitoba	Part XI – Insider Trading of the *Securities Act* (Manitoba)
Newfoundland and Labrador	Part XX – Insider Trading and Self-Dealing of the *Securities Act* (Newfoundland and Labrador)
New Brunswick	Part 10 – Insider Trading and Self-Dealing of the *Securities Act* (New Brunswick)
Nova Scotia	Sections 112 – 128 of the *Securities Act* (Nova Scotia)
Ontario	Part XXI – Insider Trading and Self-Dealing of the *Securities Act* (Ontario)
Quebec	Section 236 of the *Securities Regulation* (Quebec)
Saskatchewan	Part XVII – Insider Trading and Self-Dealing – Mutual Funds of the *Securities Act* (Saskatchewan)
British Columbia, Alberta, Manitoba, Newfoundland and Labrador, New Brunswick, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan and Yukon	Part 4 of National Instrument 81-102 *Mutual Funds*

APPENDIX B – INTER-FUND SELF-DEALING CONFLICT OF INTEREST PROVISIONS

JURISDICTION	SECURITIES LEGISLATION REFERENCE
Alberta	Section 192(2)(b) of the *Securities Act* (Alberta) Section 31(6) of ASC Rules
British Columbia	Section 127(1)(b) of the *Securities Act* (British Columbia)
Newfoundland and Labrador	Section 119(2)(b) of the *Securities Act* (Newfoundland and Labrador) Section 103(6) of Reg. 805/96
New Brunswick	Section 144(1)(b) of the *Securities Act* (New Brunswick) Section 11.7(6) of Local Rule 31-501 Registration Requirements
Nova Scotia	Section 126(2)(b) of the *Securities Act* (Nova Scotia) Section 32(6) of the General Securities Rules
Ontario	Section 118(2)(b) of the *Securities Act* (Ontario) Section 115(6) of Reg. 1015
Prince Edward Island	Section 38.1(6) of Securities Act Regulations
Quebec	Section 236 of the *Securities Regulation* (Quebec)
Saskatchewan	Section 127(2)(b) of the *Securities Act* (Saskatchewan) Section 27(6) of Securities Regulations

APPENDIX A to COMMENTARY – DECISION TREE



AMENDMENTS TO NATIONAL INSTRUMENT 81-101
Mutual Fund Prospectus Disclosure,
Form 81-101F1 Contents of Simplified Prospectus and
Form 81-101F2 Contents of Annual Information Form

(Securities Act)

Made as an amendment rule by the Alberta Securities Commission on November 1, 2006 pursuant to sections 223 and 224 of the Securities Act.

1. Section 1.1 of National Instrument 81-101 Mutual Fund Prospectus Disclosure is amended by:

(a) adding the following after the definition of "financial year":

"independent review committee" means the independent review committee of the investment fund established under National Instrument 81-107 *Independent Review Committee for Investment Funds*;"; and

(b) adding the following after the definition of "multiple SP":

"NI 81-107" means National Instrument 81-107 *Independent Review Committee for Investment Funds*;".

2. Form 81-101F1 Contents of Simplified Prospectus is amended

(a) in Item 5 of Part A by:

(i) adding the following after subsection (3):

"(3.1) Under a separate sub-heading "Independent Review Committee" in the diagram or table, briefly describe the independent review committee of the mutual funds, including

- an appropriate summary of its mandate,
- its composition,
- that it prepares at least annually a report of its activities for securityholders which is available on the [mutual fund's/mutual fund family's] Internet site at [insert mutual fund's Internet site address], or at the securityholders request at no cost, by contacting the [mutual fund/mutual fund family] at [insert mutual fund's /mutual fund family's e-mail address], and
- that additional information about the independent review committee, including the

names of the members, is available in the mutual fund's Annual Information Form.";

(ii) adding the following after subsection (5):

"(6) Despite subsection (3.1), if the information required by subsection (3.1) is not the same for substantially all of the mutual funds described in the document, provide only that information that is the same for substantially all of the mutual funds and provide the remaining disclosure required by that subsection under Item 4(3.1) of Part B of this Form."; and

(iii) adding the following Instruction after Instruction (2):

"(3) *The information about the independent review committee should be brief. For instance, its mandate may in part be described as "reviewing, and providing input on, the manager's written policies and procedures which deal with conflict of interest matters for the manager and reviewing such conflict of interest matters." A cross-reference to the annual information form for additional information on the independent review committee and fund governance should be included."*.

(b) in Item 8 of Part A by

(i) adding the following after subsection 8.1(3) :

"(3.1) Under "Operating Expenses" in the table, include a description of the fees and expenses payable in connection with the independent review committee."; and

(ii) adding the following after subsection 8.1(5):

"(6) Despite subsection (3.1), if the information required by subsection (3.1) is not the same for each mutual fund described in the document, make this disclosure in the description of fees and expenses required for each fund by Item 5 of Part B of this Form and include a cross-reference to that information in the table required by this Item.".

(c) in Item 4 of Part B by adding the following after subsection (3):

"(3.1) Under a separate sub-heading "Independent Review Committee" in the diagram or table, briefly describe the independent review committee of the mutual funds, including

- an appropriate summary of its mandate,
- its composition,
- that it prepares at least annually a report of its activities for securityholders

which is available on the [mutual fund's/mutual fund family's] Internet site at [insert mutual fund's Internet site address], or at securityholders request at no cost, by contacting the [mutual fund/mutual fund family] at [insert mutual fund's /mutual fund family's e-mail address], and

- that additional information about the independent review committee,

including the names of the members, is available in the mutual fund's Annual Information Form.".

(d) in Item 5 of Part B by adding the following after subparagraph (f)(ii):

"(iii) the amount of the fees and expenses payable in connection with the independent review committee, charged to the mutual fund; and".

3. Form 81-101F2 Contents of Annual Information Form is amended

(a) in Item 4 by adding the following after subsection (2):

"(2.1) If the mutual fund has relied on the approval of the independent review committee and the relevant requirements of NI 81-107 to vary any of the investment restrictions and practices contained in securities legislation, including NI 81-102, provide details of the permitted variations.

(2.2) If the mutual fund has relied on the approval of the independent review committee to implement a reorganization with, or transfer of assets to, another mutual fund or to proceed with a change of auditor of the mutual fund as permitted by NI 81-102, provide details.".

(b) in Item 10 by:

(i) striking out "and" at the end of paragraph 10.1(f);

(ii) adding ";and" at the end of paragraph 10.1(g); and

(iii) adding the following after paragraph 10.1(g):

"(h) the oversight of the manager of the mutual fund by the independent review committee.".

(c) in Item 11 by adding the following after subsection 11.1(5):

"(6) Disclose the percentage of securities of each class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate, by all the independent review committee members of the mutual fund

(a) in the mutual fund if the aggregate level of ownership exceeds 10 percent,

(b) in the manager, or

(c) in any person or company that provides services to the mutual fund or the manager.".

(d) in Item 12

(i) by repealing paragraph (1)(a) and substituting the following:

"(a) the mandate and responsibilities of the independent review committee and the reasons for any change in the composition of the independent review committee since the date of the most recently filed annual information form;

(a.1) any other body or group that has responsibility for fund governance and the extent to which its members are independent of the manager of the mutual fund; and"; and

(ii) by renumbering the Instruction as Instruction (1) and adding the following Instruction after Instruction (1):

"*(2) If the mutual fund has an independent review committee, state in the disclosure provided under paragraph (1)(b) that NI 81-107 requires the manager to have policies and procedures relating to conflicts of interest.*".

(e) in Item 15 by repealing subsection (2) and substituting the following:

"(2) Describe any arrangements under which compensation was paid or payable by the mutual fund during the most recently completed financial year of the mutual fund, for the services of directors of the mutual fund, members of an independent board of governors or advisory board of the mutual fund and members of the independent review committee of the mutual fund, including the amounts paid, the name of the individual and any expenses reimbursed by the mutual fund to the individual (a)in that capacity, including any additional amounts payable for committee participation or special assignments; and

(b) as consultant or expert."

4. This Instrument comes into force on November 1, 2006.

AMENDMENTS TO NATIONAL INSTRUMENT 81-102 *Mutual Funds*

(Securities Act)

Made as an amendment rule by the Alberta Securities Commission on November 1, 2006 pursuant to sections 223 and 224 of the Securities Act.

1. The Table of Contents of National Instrument 81-102 Mutual Funds is amended by adding the following after Appendix B-1, Appendix B-2 and Appendix B-3 – Compliance Reports:

"APPENDIX C –Provisions contained in Securities Legislation for the Purpose of Subsection 4.1(5) – Prohibited Investments".

2. Section 1.1 of National Instrument 81-102 Mutual Funds is amended by:

(a) adding the following after the definition of "illiquid asset":

""independent review committee" means the independent review committee of the investment fund established under National Instrument 81-107 *Independent Review Committee for Investment Funds*";

(b) repealing the definition of "mutual fund conflict of interest investment restrictions" and substituting the following:

""mutual fund conflict of interest investment restrictions" means the provisions of securities legislation that

(a) prohibit a mutual fund from knowingly making or holding an investment in any person or company who is a substantial security holder, as defined in securities legislation, of the mutual fund, its management company, manager or distribution company;

(b) prohibit a mutual fund from knowingly making or holding an investment in any person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder, as defined in securities legislation;

(c) prohibit a mutual fund from knowingly making or holding an investment in an issuer in which any person or company who is a substantial security holder of the mutual fund, its management company, manager or distribution company, has a significant interest, as defined in securities legislation;

(d) prohibit a mutual fund, a responsible person as defined in securities legislation, a portfolio adviser or a registered person acting under a management contract from knowingly causing any investment portfolio managed by it, or a mutual fund, to invest in, or prohibit a mutual fund from investing in, any issuer in which a responsible person, as defined in securities legislation, is an officer or director unless the specific fact is disclosed to the mutual fund, securityholder or client, and where securities legislation requires it, the written consent of the client to the investment is obtained before the purchase;

(e) prohibit a mutual fund, a responsible person as defined in securities legislation, or a portfolio adviser knowingly causing any investment portfolio managed by it to purchase or sell, or prohibit a mutual fund from purchasing or selling, the securities of any issuer from or to the account of a responsible person, as defined in securities legislation, an associate of a responsible person or the portfolio adviser; and

(f) prohibit a portfolio adviser or a registered person acting under a management contract from subscribing to or buying securities on behalf of a mutual fund, where his or her own interest might distort his or her judgment, unless the specific fact is disclosed to the client and the written consent of the client to the investment is obtained before the subscription or purchase."; and

(c) adding the following after the definition of "mutual fund conflict of interest reporting requirements":

""NI 81-107" means National Instrument 81-107 *Independent Review Committee for Investment Funds*."

3. Section 4.1 of National Instrument 81-102 Mutual Funds is amended by adding the following after subsection (3):

"(4) Subsection (1) does not apply to an investment in a class of securities of an issuer if, at the time of each investment

(a) the independent review committee of the dealer managed mutual fund has approved the transaction under subsection 5.2(2) of NI 81-107;

(b) in a class of debt securities of an issuer other than a class of securities referred to in subsection (3), the security has been given, and continues to have, an approved rating by an approved credit rating organization;

(c) in any other class of securities of an issuer,

(i) the distribution of the class of equity securities is made by prospectus filed with one or more securities regulatory authorities or regulators in Canada, and

(ii) during the 60 day period referred to in subsection (1) the investment is made on an exchange on which the class of equity securities of the issuer is listed and traded; and

(d) no later than the time the dealer managed mutual fund files its annual financial statements, the manager of the dealer managed mutual fund files the particulars of each investment made by the dealer managed mutual fund during its most recently completed financial year.

(5) The corresponding provisions contained in securities legislation referred to in Appendix C do not apply with respect to an investment in a class of securities of an issuer referred to in subsection (4) if the investment is made in accordance with that subsection.".

4. Section 4.3 of National Instrument 81-102 Mutual Funds is amended by

(a) renumbering 4.3 Exception as subsection (1); and

(b) adding the following after subsection (1):

"(2) Section 4.2 does not apply to a purchase or sale of a class of debt securities by a mutual fund from, or to, another mutual fund managed by the same manager or an affiliate of the manager, if, at the time of the transaction

(a) the mutual fund is purchasing from, or selling to, another mutual fund to which NI 81-107 applies;

(b) the independent review committee of the mutual fund has approved the transaction under subsection 5.2(2) of NI 81-107; and

(c) the transaction complies with subsection 6.1(2) of NI 81-107.”.

5. Section 5.1 of National Instrument 81-102 Mutual Funds is amended by repealing paragraph 5.1(d).

6. Section 5.3 of National Instrument 81-102 Mutual Funds is amended

(a) by adding the following after subsection 5.3(1):

“(2) Despite section 5.1, the approval of securityholders of a mutual fund is not required to be obtained for a change referred to in paragraph 5.1(f) if

(a) the independent review committee of the mutual fund has approved the change under subsection 5.2(2) of NI 81-107;

(b) the mutual fund is being reorganized with, or its assets are being transferred to, another mutual fund to which this Instrument and NI 81-107 apply and that is managed by the manager, or an affiliate of the manager, of the mutual fund;

(c) the reorganization or transfer of assets of the mutual fund complies with the criteria in paragraphs 5.6(1)(a), (b), (c), (d), (g), (h) and (i) and subsection 5.6(2);

(d) the simplified prospectus of the mutual fund discloses that, although the approval of securityholders may not be obtained before making the change, securityholders will be sent a written notice at least 60 days before the effective date of the change; and

(e) the notice referred to in paragraph (d) to securityholders is sent 60 days before the effective date of the change.”; and

(b) by adding the following after section 5.3:

“5.3.1 Change of Auditor of the Mutual Fund – The auditor of the mutual fund may not be changed unless

(a) the independent review committee of the mutual fund has approved the change of auditor under subsection 5.2(2) of NI 81-107;

(b) the simplified prospectus of the mutual fund discloses that, although the approval of securityholders will not be obtained before making the change, securityholders will be sent a written notice at least 60 days before the effective date of the change, and

(c) the notice referred to in paragraph (b) to securityholders is sent 60 days before the effective date of the change.”.

7. National Instrument 81-102 Mutual Funds is amended by adding the following after Appendix B-3 – AUDIT REPORT:

“APPENDIX C – PROVISIONS CONTAINED IN SECURITIES LEGISLATION FOR THE PURPOSE OF SUBSECTION 4.1(5) – PROHIBITED INVESTMENTS

JURISDICTION	**SECURITIES LEGISLATION REFERENCE**
Alberta	s. 9 of ASC Policy 7.1
British Columbia	s. 81 of the *Securities Rules* (British Columbia)
Newfoundland and Labrador	s. 191 of Reg 805/96
New Brunswick	s. 13.2 of Local Rule 3 Requirements
Nova Scotia	s. 67 of the General Securities Rules
Ontario	s. 227 of Reg. 1015
Quebec	Article 236 and 237.1 of the *Securities Regulation*”

8. This Instrument comes into force on November 1, 2006.

AMENDMENTS TO NATIONAL INSTRUMENT 81-106
Investment Fund Continuous Disclosure and
Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance

(Securities Act)

Made as an amendment rule by the Alberta Securities Commission on November 1, 2006 pursuant to sections 223 and 224 of the Securities Act.

1. Section 1.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* is amended by

(a) adding the following after the definition of “EVCC”:

““independent review committee” means the independent review committee of the investment fund established under National Instrument 81-107 *Independent Review Committee for Investment Funds*;”; and

(b) adding the following after the definition of "National Instrument 51-102":

""National Instrument 81-107" means National Instrument 81-107 *Independent Review Committee for Investment Funds*;".

2. Section 1.3 of National Instrument 81-106 *Investment Fund Continuous Disclosure* is amended by striking out "Multinational Instrument "81-104" and substituting "National Instrument 81-104".

3. Section 3.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure* is amended by adding the following after item 8:

"8.1. independent review committee fees. "

4. Section 9.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure* is amended by repealing paragraph (2)(f) and substituting the following:

"(f) Item 15 of Form 81-101F2 does not apply to an investment fund that is a corporation, except for the disclosure in connection with the independent review committee; and".

5. Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* is amended

(a) in section 2.4 by

(i) striking out "and" at the end of paragraph (d);

(ii) adding ";and" at the end of paragraph (e);

(iii) adding the following after paragraph (e):

"(f) changes to the composition or members of the independent review committee of the investment fund. "; and

(b) in section 2.5 by adding the following Instruction after Instruction (3):

"*(4)If the investment fund has an independent review committee, state whether the investment fund has relied on the positive recommendation or approval of the independent review committee to proceed with the transaction, and provide details of any conditions or parameters surrounding the transaction imposed by the independent review committee in its positive recommendation or approval.*

6. This Instrument comes into force on November 1, 2006.

AMENDMENTS TO NATIONAL INSTRUMENT 13-101
System for Electronic Document Analysis and Retrieval (Sedar)

(Securities Act)

Made as an amendment rule by the Alberta Securities Commission on November 1, 2006 pursuant to sections 223 and 224 of the Securities Act.

1. Appendix A – Mandated Electronic Filings of National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR) is amended by

   (a) adding the following after Item 17 of part I B. :

   “18. Report by Independent Review Committee.

   19. Manager - transactions in securities of related issuers

   20. Manager - transactions under Part 4 of NI 81-102

   21. Manager - notification under Part 5 of NI 81-107”; and

   (b) adding the following after Item 18 of part II B.(a):

   “19. Report by Independent Review Committee.

   20. Manager - transactions in securities of related issuers

   21. Manager - transactions under Part 4 of NI 81-102

   22. Manager - notification under Part 5 of NI 81-107”.

2. This Instrument comes into force on November 1, 2006.

AMENDMENTS TO NATIONAL INSTRUMENT 81-104
Commodity Pools

(Securities Act)

Made as an amendment rule by the Alberta Securities Commission on November 1, 2006 pursuant to sections 223 and 224 of the Securities Act.

1. Section 1.1 of National Instrument 81-104 Commodity Pools is amended by adding the following after the definition "Derivatives Fundamentals Course":

   ""independent review committee" means the independent review committee of the investment fund established under National Instrument 81-107 *Independent Review Committee for Investment Funds*;".

2. Section 9.2 of National Instrument 81-104 Commodity Pools is amended by adding the following after subsection 9.2(o):

   "(p) provide the disclosure concerning the independent review committee of the commodity pool that is required to be provided by a mutual fund under

   (i) subsection 3.1 of Item 5 of Part A of Form 81-101F1 Contents of Simplified Prospectus,

   (ii) subsection 3.1 of Item 8 of Part A of Form 81-101F1 Contents of Simplified Prospectus,

   (iii) subsections 2.1 and 2.2 of Item 4 of Form 81-101F2 Contents of Annual Information Form,

   (iv) paragraph (h) of Item 10.1 of Form 81-101F2 Contents of Annual Information Form,

   (v) subsection 6 of Item 11.1 of Form 81-101F2 Contents of Annual Information Form,

   (vi) subsection 1 of Item 12 Form 81-101F2 Contents of Annual Information Form, and

   (vii) subsection 2 of Item 15 of Form 81-101F2 Contents of Annual Information Form in connection with the independent review committee."

3. This Instrument comes into force on November 1, 2006.

AMENDMENT TO *ALBERTA SECURITIES COMMISSION RULES (GENERAL)*

(Securities Act)

Made as an amendment rule by the Alberta Securities Commission on November 1, 2006 pursuant to sections 223 and 224 of the Securities Act.

PART 1 Amendment To Alberta Securities Commission Rules (General)

1.1 The Alberta Securities Commission Rules (General) are amended by this Instrument.

1.2 Section 31 is amended by adding the following after subsection (6):

(7) Subsection (6) does not apply in the case of an investment counsel acting as portfolio manager of an investment fund with respect to a purchase or sale of a security referred to in section 6.1 of National Instrument 81-107 *Independent Review Committee for Investment Funds* if made in accordance with that section.

Seniors and Community Supports

Hosting Expenses Exceeding $600.00
For the period April 1, 2006 to June 30, 2006

Function: Alberta Aids to Daily Living (AADL) – Authorizer Workshop
Purpose: Training of occupational therapists, physical therapists and registered nurses in AADL policy and procedure regarding the authorization of program benefits for clients.
Amount: $1,546.83
Date: October 5 – 6, 2005
Location: Calgary, Alberta

Function: Premier's Council for the Status of Persons with Disabilities – Open House
Purpose: Following the Council meetings, an open house reception for the community was held. The event brought together government and the disability community to exchange information on the status of Albertans with disabilities, and to explore opportunities for collaboration.
Amount: $1,293.73
Date: April 20 – 21, 2006
Location: Medicine Hat, Alberta

Sustainable Resource Development

Alberta Fishery Regulations, 1998

Notice of Variation Order 25-2006

Commercial Fishing Seasons

The close times and quotas set out in Schedule 8 to the Alberta Fishery Regulations in respect of the waters listed in the Schedule to this Notice have been varied by Variation Order 25-2006 by the Director of Fisheries Management in accordance with section 3 of the Alberta Fishery Regulations.

Where fishing with gill nets is permitted during an open season established by the Order, the gill net mesh size has been specified in the Order.

Pursuant to Variation Order 25-2006 commercial fishing is permitted in accordance with the following schedule.

SCHEDULE
PART 1

Item - 1
Column 1 Waters – In respect of: (28.1) Fawcett Lake (76-26-W4) - excluding that portion in 5,6,7,8-73-26-W4
Column 2 Gear - Gill net not less than 140 mm mesh
Column 3 Open Time - 08:00 hours September 18, 2006 to 16:00 hours September 21, 2006.
Column 4 Species and Quota - 1) Lake whitefish: 8,000 kg; 2) Walleye: 900 kg; 3) Yellow perch: 1 kg; 4) Northern pike: 900 kg; 5) Tullibee: 8,000 kg; 6) Lake trout: 1 kg.

ADVERTISEMENTS

Notice of Certificate of Intent to Dissolve

(Business Corporations Act)

Notice is hereby given that a Certificate of Intent to Dissolve was issued to **Credifax of Canada Ltd.** on August 23, 2006.

Dated at Calgary, Alberta, September 8, 2006.

Mark M. Kirwin, *Solicitor*.

Notice of Certificate of Intent to Dissolve

(Business Corporations Act)

Notice is hereby given that a Certificate of Intent to Dissolve was issued to **H.K.S. Property Group Ltd.** on September 26, 2006.

Dated at Edmonton, Alberta, September 29, 2006.

W. Neil McKay, *Solicitor*.

Notice of Liquidation

(Business Corporations Act)

CB North Contracting Ltd.

On January 30, 2006, W.M. Mudryk Professional Corporation was appointed Liquidator of CB North Contracting Ltd. by the Court of Queen's Bench of Alberta.

The Liquidator requires any person,

(i) indebted to CB North Contracting Ltd., to provide a statement of account respecting the indebtedness and to pay to the Liquidator at the time and place specified below any amount owing

(ii) possessing property of CB North Contracting Ltd., to deliver it to the Liquidator at the time and place specified below, and

(iii) having a claim against CB North Contracting Ltd, whether liquidated, unliquidated, future or contingent, to present particulars of the claim in writing to the Liquidator not later than November 1, 2006.

Fletcher Mudryk & Co. LLP
Chartered Accountants
400 Windsor Court
9835 – 101 Avenue
Grande Prairie, AB   T8V 5V4
Phone: (780) 539-4110
Fax: (780) 532-1350
Email: wmudruk@fletchermudryk.com

18-19

Notice of Liquidation and Dissolution

(Business Corporations Act)

994644 Alberta Ltd.

Notice is hereby given that 994644 Alberta Ltd. Shall, in accordance with the Order of the Court of Queen's Bench of Alberta, Judicial District of Calgary, granted on the 22nd day of September 2006, and pursuant to section 214 of the *Business Corporations Act* (Alberta), liquidate and upon further application to the Court to approve the final accounts, take the necessary steps to dissolve.

Dean Bellotto has been appointed the liquidator of the Corporation. Any person indebted to the Corporation shall provide a statement of account respecting the indebtedness and pay the liquidator the amount owing at Calgary, Alberta, by the 15th of November, 2006. Anyone possessing property of the Corporation shall deliver it to the liquidator at Calgary, Alberta, by the 15th of November, 2006. Anyone having a claim against the Corporation shall send proof of their claim in writing to the liquidator not later than the 15th day of December, 2006. The liquidator can be contacted in care of his solicitors, Dawe Law Office, at #200, 1409 Edmonton Trail N.E., Calgary, Alberta, T2E 3K8.

19-20

Public Sale of Land

(Municipal Government Act)

City of Wetaskiwin

Notice is hereby given that under the provisions of the Municipal Government Act, the City of Wetaskiwin will offer for sale, by public auction, in the City Council Chambers, 4904 – 51 Street, Wetaskiwin, Alberta, on Tuesday, December 5, 2006, at 10:00 a.m., the following lands:

Lot	Block	Plan	Certificate of Title
3 & 4	9A	5269KS	022 154 172
22	21	1715S	972 035 462
26	56	7722316	792 316 883

Each parcel will be offered for sale subject to a reserve bid and to the reservations and conditions contained in the existing Certificate of Title.

The City of Wetaskiwin may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Terms: Cash or certified cheque.

Redemption may be effected by payment of all arrears of taxes and costs at any time prior to the sale.

Dated at Wetaskiwin, Alberta, September 27, 2006.

Al Steckler, *Manager of Finance*.

County of Barrhead No. 11

Notice is hereby given that, under the provisions of the Municipal Government Act, the County of Barrhead No. 11 will offer for sale, by public auction, at the County Office, 5306 – 49 Street, Barrhead, Alberta, on Wednesday, December 6, 2006, at 2:00 p.m., the following lands:

Lot	Block	Plan	Legal Description	Acres	Certificate of Title
18	1	7720058		3.85	022 177 913
19	1	7720058		3.00	022 177 912
			Pt. SW 30-58-1-W5M	0.30	752 039 671
			Pt. NE 16-59-2-W5M	1.10	143S138
			Pt. SW 5-59-4-W5M	0.67	902 289 565
			NW 35-57-5-W5M	160.0	982 261 530+1
			SW 35-57-5-W5M	160.0	982 261 530

Each parcel will be offered for sale, subject to a reserve bid and to the reservations and conditions contained in the existing certificate of title.

These parcels are being offered for sale on an “as is, where is” basis, and the County of Barrhead No. 11 makes no representation and gives no warranty whatsoever as to the adequacy of services, soil conditions, land use districting, building and development conditions, absence or presence of environmental contamination, or the developability of the subject land for any intended use by the purchaser.

The County of Barrhead No. 11 may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Terms: Cash

Redemption may be effected by payment of all arrears of taxes and costs at any time prior to the sale.

Dated at Barrhead, Alberta, September 26, 2006.

Dale Uhrbach, *County Manager*.

Camrose County

Notice is hereby given that under the provisions of the Municipal Government Act, Camrose County will offer for sale, by public auction, at the County Office in Camrose, Alberta, on Friday, December 8, 2006, at 2:00 p.m., the following lands:

Lot	Block	Plan	Legal Description	Hamlet/Subdiv	C. of T.
4	6	762-1226	Pt E 1/2 35-43-22-W4M	Sherman Park	932 203 133
5	6	762-1226	Pt E 1/2 35-43-22-W4M	Sherman Park	932 203 134
6	6	762-1226	Pt E 1/2 35-43-22-W4M	Sherman Park	932 203 135
7	6	762-1226	Pt E 1/2 35-43-22-W4M	Sherman Park	932 203 136
8	6	762-1226	Pt E 1/2 35-43-22-W4M	Sherman Park	932 203 137
2		972-1565	Pt NE 20-46-19-W4M		032 095 128

Each parcel will be offered for sale subject to a reserve bid and to the reservations and conditions contained in the existing Certificate of Title.

Camrose County may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Terms: Cash

Redemption may be effected by payment of all arrears of taxes and costs at any time prior to the sale.

Dated at Camrose, Alberta, September 15, 2006.

Steven Gerlitz, *County Administrator*.

Clear Hills County

Notice is hereby given that under the provisions of the Municipal Government Act, Clear Hills County will offer for sale, by public auction, in the County Office, Worsley, Alberta, on Wednesday, November 29, 2006, at 11:00 a.m., the following lands:

Lot	Block	Plan	Legal Description	Certificate of Title
10	2	802KS		952 045 293
1	1	9822801		982 170 572
1	1	0223667		022 225 518
			NE 17-87-6-W6M	892 039 561
			NW 17-87-6-W6M	902 362 359

SE 17-87-6-W6M	822 173 988
SW 17-87-6-W6M	902 362 359+1
NE 9-87-7-W6M	912 299 078+1
SE 9-87-7-W6M	19D217
NW 10-87-7-W6M	762 078 298B
NW 15-87-7-W6M	762 078 298
SE 17-87-7-W6M	16E219

Each parcel will be offered for sale subject to a reserve bid and to the reservations and conditions contained in the existing Certificate of Title.

Clear Hills County may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Terms: Cash

Redemption may be effected by payment of all arrears of taxes and costs at any time prior to the sale.

Dated at Worsley, Alberta, September 18, 2006.

Ray Coad, *Chief Administrative Officer*.

Lac Ste. Anne County

Notice is hereby given that, under the provisions of the Municipal Government Act, Lac Ste. Anne County will offer for sale, by public auction, in the County Administration Building, Sangudo, Alberta, on Friday, November 24, 2006, at 1:30 p.m., the following lands:

Subdivision	**Lot**	**Block**	**Plan**	**Acres**	**C. of T.**	**Roll Number**
Lakewood	35	3	782 1410	3.05	032 177 786	5302321014
Lakewood	11C		792 2940	3.16	032 265 091	5302332009
Johnson Park	26		812 0216	3.02	922 256 526	5403071026
Highland Park	20	3	5001 KS	0.25	972 148 010	5503073051
Glenevis	1, 2, 3	2	1392 BT	0.17	002 102 070	5504342030
	1		992 5197	23.08	012 167 900	5603331002
Rochfort Bridge	5	3	6 CL	0.09	022 359 517+2	5707073049
Rochfort Bridge	6	3	6 CL	0.09	022 359 517+1	5707073050
Rochfort Bridge	7, 8, 9	3	6 CL	0.27	022 359 517	5707073052

Greencourt	12, 13	1	661 CL	0.28	012 041 172	5809142015
	1		002 1103	32.52	002 134 880	5809204002

The land is being offered for sale on an "as is, where is" basis, and Lac Ste. Anne County makes no representation and gives no warranty whatsoever as to the adequacy of services, soil conditions, land use districting, building and development conditions, absence or presence of environmental contamination, or the developability of the subject land for any intended use by the purchaser.

No bid will be accepted where the bidder attempts to attach conditions precedent to the sale of any parcel. No terms and conditions of sale will be considered other than those specified by the County. No further information is available at the auction regarding the lands to be sold.

Terms: 10% deposit and balance within 30 days of date of public auction. GST will apply on lands sold at public auction.

Each parcel will be offered for sale, subject to a reserve bid and to the reservations and conditions contained in the existing certificate of title. Lac Ste. Anne County may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Redemption may be effected by certified payment of all arrears and penalties and costs at any time prior to the public auction.

Dated at Sangudo, Alberta, September 22, 2006.

Lenard Szybunka, *Municipal Administrator*.

Leduc County

Notice is hereby given that under the provisions of the Municipal Government Act, Leduc County will offer for sale, by public auction, at the County Centre, Nisku, Alberta, on Thursday, November 30, 2006, at 2:00 p.m., the following lands:

Lot	Block	Plan	Legal Description	Acres	Roll #
			NE 05-50-22-W4M	3.00	208010
			NW 24-49-23-W4M	160.00	548000
7	2	2626MC	NW 04-50-24-W4M	2.99	1020150
1	1	032 0764	NW 31-48-25-W4M	14.78	1259010
			NW 04-49-25-W4M	157.43	1295000
			SE 36-49-02-W5M	1.30	3263030
			SE 01-49-03-W5M	1.60	3637010

Each parcel will be offered for sale subject to a reserve bid and to the reservations and conditions contained in the existing Certificate of Title.

Leduc County may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Terms: Payment in cash, bank draft or certified cheque. 10% deposit and balance within 30 days.

Redemption may be effected by payment of all arrears of taxes and costs at any time prior to the sale.

Dated at Nisku, Alberta, September 19, 2006.

C.D. (Doug) Wright, CD, *County Manager*.

Starland County

Notice is hereby given that, under the provisions of the Municipal Government Act, Starland County will offer for sale, by public auction, in the Administration Office, Morrin, Alberta, on Tuesday, December 12, 2006, at 2:00 p.m., the following lands:

Lot	**Block**	**Plan**	**Hamlet**	**C. of T.**
18	8	1009 D.C.	Craigmyle	021 220 591
19	8	1009 D.C.	Craigmyle	021 220 598
20	8	1009 D.C.	Craigmyle	021 373 199
21	1	2970 A.H.	Rowley	991 091 715
22	1	2970 A.H.	Rowley	991 091 715+1
23	1	2970 A.H.	Rowley	931 281 771

Each parcel will be offered for sale, subject to a reserve bid and to the reservations and conditions contained in the existing certificate of title.

The properties are being offered for sale on an “as is, where is” basis, and Starland County makes no representation and gives no warranty whatsoever as to the adequacy of services, soil conditions, land use districting, building and environmental contamination, or the developability of the subject lands for any intended use of the purchaser.

No bid will be accepted where the bidder attempts to attach conditions precedent to the sale of any parcel. No terms and conditions of sale will be considered other than those specified by the County. No further information is available at the auction regarding the lands to be sold.

Terms: Cash

Starland County may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Redemption may be effected by payment of all arrears of taxes and costs at any time prior to the sale.

Dated at Morrin, Alberta, September 25, 2006.

Ross D. Rawlusyk, *Chief Administrative Officer*.

Vulcan County

Notice is hereby given that, under the provisions of the Municipal Government Act, Vulcan County will offer for sale, by public auction, in the County Administration Building, Vulcan, Alberta, on Thursday, December 7, 2006, at 10:00 a.m., the following land:

C. of T.	Qtr Sec Twp Rge Mer	Acres	Roll Number
961 271 977	SE 16-18-26-W4M	0.36	300394608

These parcels are being offered for sale on an “as is, where is” basis, and Vulcan County makes no representation and gives no warranty whatsoever as to the adequacy of services, soil conditions, land use districting, building and development conditions, absence or presence of environmental contamination, vacant possession, or the developability of the subject land for any intended use by the successful bidder.

No bid will be accepted where the bidder attempts to attach conditions precedent to the sale of any parcel. No terms and conditions of sale will be considered other than those specified by Vulcan County. No further information is available at the auction regarding the land to be sold.

Each parcel will be offered for sale, subject to a reserve bid and to the reservations and conditions contained in the existing certificate of title. Vulcan County may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Terms: Cash or certified cheque, 10% deposit (non-refundable to successful bidder) and balance within 30 days of the date of public auction. GST will apply to all applicable land sold at public auction.

Redemption may be effected by payment certified payment of all arrears and penalties and costs at any time prior to the public auction.

Dated at Vulcan, Alberta, September 15, 2006.

Gary Buchanan, *County Administrator*.

Municipal District of Bonnyville No. 87

Notice is hereby given that under the provisions of the Municipal Government Act, the Municipal District of Bonnyville No. 87 will offer for sale, by public auction, in the Municipal Office, Bonnyville, Alberta, on Tuesday, December 12, 2006, at 2:00 p.m., the following lands:

Legal Description	Acres	Certificate of Title
Pt SW 33-60-3-W4M	2.64	812 290 609
NE 24-62-2-W4M	153.80	932 141 257
NW 28-63-7-W4M	159.97	832 229 151A

Lot	Block	Plan	Certificate of Title	
30	1	772 0214	952 304 021	Muriel Lake
8	1	543 EO	012 283 528	Therien
1		992 5478	992 276 348	Ardmore
1 & 2	1	6724 ET	912 185 473	Fort Kent

Each parcel will be offered for sale subject to the approval of Council, and subject to a reserve bid and to the reservations and conditions contained in the existing Certificate of Title.

The Municipal District of Bonnyville No. 87 may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Terms: Cash

Redemption may be effected by payment of all arrears of taxes and costs at any time prior to the sale.

Dated at Bonnyville, Alberta, September 28, 2006.

R.A. Doonanco, *Municipal Manager*.

Municipal District of Foothills No. 31

Notice is hereby given that under the provisions of the Municipal Government Act, the Municipal District of Foothills No. 31 will offer for sale, by public auction, at the Foothills Administration Building, High River, Alberta, on Wednesday, December 6, 2006, at 1:30 p.m., the following lands:

Lot	Block	Plan	Legal Description	Acres	C. of T.
14	4	2326P			031 061 459
1	1	9412735		10.5	951 021 259
East halves of legal subdivisions 10 and 15			Pt NE 8-21-1-W5M	40	881 059 845
1		9912520			991 272 387
2		9912520			991 272 394
3		9912520			991 272 393
	1	9411674		3.93	031 385 487

Each parcel will be offered for sale subject to a reserve bid and to the reservations and conditions contained in the existing Certificate of Title.

The Municipal District of Foothills No. 31 may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Terms: Cash, money order, certified cheque.

Redemption may be effected by payment of all arrears of taxes and costs at any time prior to the sale.

Dated at High River, Alberta, September 21, 2006.

Harry Riva Cambrin, *Municipal Manager*.

Town of Sexsmith

Notice is hereby given that under the provisions of the Municipal Government Act, the Town of Sexsmith will offer for sale, by public auction, in the Town Office, 9927 - 100 Street, Sexsmith, Alberta, on Wednesday, December 13, 2006, at 1:30 p.m., the following land:

Lot	Block	Plan	C. of T.
4A	2	802-1481	982 183 173

The parcel will be offered for sale subject to a reserve bid and to the reservations and conditions contained in the existing Certificate of Title.

The Town of Sexsmith may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Terms: Cheque for 10% of bid price to accompany bid. Balance to be paid within 14 days of sale.

Redemption may be effected by payment of all arrears of taxes and costs at any time prior to the sale.

Dated at Sexsmith, Alberta, September 28, 2006.

Carolyn Gaunt, *CAO*.

Village of Holden

Notice is hereby given that under the provisions of the Municipal Government Act, the Village of Holden will offer for sale, by public auction, in the Village Office, 4810 – 50 Street, Holden, Alberta, on Wednesday, November 29, 2006, at 10:00 a.m., the following lands:

Lot	Block	Plan	C. of T.
32	11	3940W	002 197 438

Each parcel will be offered for sale subject to a reserve bid and to the reservations and conditions contained in the existing Certificate of Title.

The Village of Holden may, after the public auction, become the owner of any parcel of land not sold at the public auction.

Terms: Cash

Redemption may be effected by payment of all arrears of taxes and costs at any time prior to the sale.

Dated at Holden, Alberta, September 20, 2006.

Christine B. Mackay, *Chief Administrative Officer*.

NOTICE TO ADVERTISERS

The Alberta Gazette is issued twice monthly, on the 15th and last day.

Notices and advertisements must be received ten full working days before the date of the issue in which the notices are to appear. Submissions received after that date will appear in the next regular issue.

Notices and advertisements should be typed or written legibly and on a sheet separate from the covering letter. An electronic submission by email or disk is preferred. Email submissions may be sent to the Editor of The Alberta Gazette at albertagazette@gov.ab.ca. The number of insertions required should be specified and the names of all signing officers typed or printed. Please include name and complete contact information of the individual submitting the notice or advertisement.

Proof of Publication: Statutory Declaration is available upon request.

A copy of the page containing the notice or advertisement will be mailed to each advertiser without charge.

The dates for publication of Tax Sale Notices in The Alberta Gazette are as follows:

Issue of	*Earliest date on which sale may be held*
November 15	December 22
November 30	January 10
December 15	January 25
December 30	February 9
January 13	February 23
January 31	March 13
February 15	March 28
February 28	April 10
March 15	April 25
March 31	May 11
April 14	May 25
April 30	June 8

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