

THE MANITOBA SECURITIES COMMISSION
MSC RULE 2007-20
(Section 149.1, *The Securities Act*)

AMENDMENT INSTRUMENT TO
NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS

1. *This Instrument amends National Instrument 51-102 Continuous Disclosure Obligations.*

2. *Subsection 1.1(1) is amended*

(a) *by adding the following definition after "material change":*

"material contract" means any contract that an issuer or any of its subsidiaries is a party to, that is material to the issuer;"

(b) *by repealing the definition of "restricted security" and substituting the following:*

"restricted security" means an equity security of a reporting issuer if any of the following apply:

(a) there is another class of securities of the reporting issuer that, to a reasonable person, appears to carry a greater number of votes per security relative to the equity security;

(b) the conditions attached to the class of equity securities, the conditions attached to another class of securities of the reporting issuer, or the reporting issuer's constating documents have provisions that nullify or, to a reasonable person, appear to significantly restrict the voting rights of the equity securities; or

(c) the reporting issuer has issued another class of equity securities that, to a reasonable person, appears to entitle the owners of securities of that other class to participate in the earnings or assets of the reporting issuer to a greater extent, on a per security basis, than the owners of the first class of equity securities;" and

(c) *in paragraph (c) of the definition of "informed person", by striking out "beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over" and substituting "beneficially owns, or controls or directs, directly or indirectly,".*

3. *Subsection 1.1(3) is amended by striking out ", directly or indirectly, beneficially owns or exercises control or direction over" and substituting "beneficially owns, or controls or directs, directly or indirectly,".*

4. *Paragraph 8.4(5)(b) is amended by striking out "after the ending date" and substituting "since the beginning".*

5. *Subparagraph 8.10(3)(e)(ii) is amended by striking out "after the ending date" and substituting "since the beginning".*

6. *Section 12.2 is repealed and the following is substituted:*

"Filing of material contracts

12.2(1) Unless previously filed, a reporting issuer must file a material contract entered into

(a) within the last financial year; or

(b) before the last financial year if that material contract is still in effect.

12.2(2) Despite subsection (1), a reporting issuer is not required to file a material contract entered into in the ordinary course of business unless the material contract is

- (a) a contract to which directors, officers, or promoters are parties other than a contract of employment;
- (b) a continuing contract to sell the majority of the reporting issuer's products or services or to purchase the majority of the reporting issuer's requirements of goods, services, or raw materials;
- (c) a franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name;
- (d) a financing or credit agreement with terms that have a direct correlation with anticipated cash distributions;
- (e) an external management or external administration agreement; or
- (f) a contract on which the reporting issuer's business is substantially dependent.

12.2(3) A provision in a material contract filed pursuant to subsections (1) or (2) may be omitted or marked to be unreadable if an executive officer of the reporting issuer reasonably believes that disclosure of that provision would be seriously prejudicial to the interests of the reporting issuer or would violate confidentiality provisions.

12.2(4) Subsection (3) does not apply if the provision relates to

- (a) debt covenants and ratios in financing or credit agreements;
- (b) events of default or other terms relating to the termination of the material contract; or
- (c) other terms necessary for understanding the impact of the material contract on the business of the reporting issuer.

12.2(5) If a provision is omitted or marked to be unreadable under subsection (3), the reporting issuer must include a description of the type of information that has been omitted or marked to be unreadable immediately after the provision in the copy of the material contract filed by the reporting issuer.

12.2(6) Despite subsections (1) and (2), a reporting issuer is not required to file a material contract entered into before January 1, 2002."

7. *Section 13.4 is amended*

(a) *in subsection 13.4(1)*

(i) *in the definition of "designated credit support securities"*

(A) *in paragraph (a), by adding "non-convertible" before "securities of the credit supporter";*

(B) *in between paragraphs (b) and (c), by striking out "in respect of which a credit supporter has provided" and substituting "in respect of which a parent credit supporter has provided";*

(ii) *by adding the following definitions after the definition of "designated credit support securities":*

"parent credit supporter" means a credit supporter of which the reporting issuer is a subsidiary;

"subsidiary credit supporter" means a credit supporter that is a subsidiary of the parent credit supporter;"

(b) *in subsection 13.4(1.1)*

(i) *by adding "parent" before "credit supporter" wherever it occurs;*

(ii) *in paragraph (b), by striking out "of consolidating summary financial information";*

(iii) *by repealing paragraph (c) and substituting the following:*

"(c) all subsidiary entity columns must account for investments in non-credit supporter subsidiaries under the equity method.";

(c) *in subsection 13.4(2)*

(i) *by striking out "subsection" and substituting "section";*

(ii) *by adding "parent" before "credit supporter" wherever it occurs;*

(iii) *by striking out "and" at the end of paragraph (i),*

(iv) *by striking out "." and substituting "; and" at the end of paragraph (j),*

(v) *by adding the following paragraph (k) after paragraph (j):*

"(k) no person or company other than the parent credit supporter has provided a guarantee or alternative credit support for the payments to be made under any issued and outstanding securities of the credit support issuer.";

(d) *by adding the following subsections (2.1) and (2.2) after subsection (2):*

"13.4(2.1) A credit support issuer satisfies the requirements of this Instrument where there is a parent credit supporter and one or more subsidiary credit supporters if

(a) the conditions in paragraphs (2)(a) to (f), (i), and (j) are complied with;

(b) the parent credit supporter controls each subsidiary credit supporter and the parent credit supporter has consolidated the financial statements of each subsidiary credit supporter into the parent credit supporter's financial statements that are filed or referred to under paragraph (2)(d);

(c) the credit support issuer files, in electronic format, in the notice referred to in clause (2)(d)(ii)(A) or in or with the copy of the interim and annual consolidated financial statements filed under subparagraph (2)(d)(i) or clause (2)(d)(ii)(B), for a period covered by any interim or annual consolidated financial statements of the parent credit supporter filed by the parent credit supporter, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:

(i) the parent credit supporter;

(ii) the credit support issuer;

- (iii) each subsidiary credit supporter on a combined basis;
 - (iv) any other subsidiaries of the parent credit supporter on a combined basis;
 - (v) consolidating adjustments; and
 - (vi) the total consolidated amounts;
- (d) no person or company, other than the parent credit supporter or a subsidiary credit supporter has provided a guarantee or alternative credit support for the payments to be made under the issued and outstanding designated credit support securities; and
- (e) the guarantees or alternative credit supports are joint and several.

13.4(2.2) Despite paragraph (2.1)(c), the information set out in a column in accordance with

(a) subparagraph (2.1)(c)(iv), may be combined with the information set out in accordance with any of the other columns in paragraph (2.1)(c) if each item of the summary financial information set out in a column in accordance with subparagraph (2.1)(c)(iv) represents less than 3% of the corresponding items on the consolidated financial statements of the parent credit supporter being filed or referred to under paragraph (2)(d),

(b) subparagraph (2.1)(c)(ii) may be combined with the information set out in accordance with any of the other columns in paragraph (2.1)(c) if the credit support issuer has minimal assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the securities described in paragraph (2)(c).";

(e) in subsection 13.4(3), by repealing paragraphs (a) through (e) and substituting the following:

"(a) the conditions in paragraphs (2)(a) to (c) are complied with;

(b) if the insider is not a credit supporter,

(i) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning a credit supporter before the material facts or material changes are generally disclosed, and

(ii) the insider is not an insider of a credit supporter in any capacity other than by virtue of being an insider of the credit support issuer; and

(c) if the insider is a credit supporter, the insider does not beneficially own any designated credit support securities."; **and**

(f) in subsection (4), by adding "parent" before "credit supporter" wherever it occurs.

8. This Instrument comes into force on March 17, 2008.

9. This Instrument may be cited as MSC Rule 2007-20.