

Annex I

AUTHORITY FOR THE INSTRUMENT

In Saskatchewan, the Saskatchewan Financial Services Commission (the Commission) has the power to adopt the proposed Instrument, as a Commission regulation, pursuant to following provisions of *The Securities Act, 1988* (Saskatchewan) (the Act):

Sub-clause 154(1)(c)(i) of the Act authorizes the Commission to make regulations prescribing standards of practice and business conduct of registrants in dealing with their customers and clients and prospective customers and clients;

Clause 154(1)(d.3) of the Act authorizes the Commission to make regulations prescribing requirements respecting the disclosure or furnishing of information to customers and clients, prospective customers and clients, the public or the Commission by registrants and directors, partners, officers, representatives, employees and security holders of registrants;

Sub-clause 154(1)(o)(xviii) of the Act authorizes the Commission to make regulations governing requirements for different certificates for different classes of persons or companies required to certify a prospectus;

Sub-clause 154(1)(o)(iii) of the Act authorizes the Commission to make regulations governing the issuance of receipts for preliminary prospectuses and prospectuses, including the issuance of receipts after an expedited or selective review, and respecting when receipts are not required or will not be issued, and in the circumstances under which a receipt may be refused;

Sub-clause 154(1)(o)(v) of the Act authorizes the Commission to make regulations governing the distribution of securities by means of a prospectus incorporating other documents by reference;

Sub-clause 154(1)(o)(vi) of the Act authorizes the Commission to make regulations governing the distribution of securities by means of a simplified or summary prospectus or other means of disclosure documents;

Sub-clause 154(1)(o)(x) of the Act authorizes the Commission to make regulations governing the incorporation by reference of certain documents in a prospectus and the effect, including from a liability and evidentiary perspective, of modifying or superseding statements;

Sub-clause 154(1)(o)(xi) of the Act authorizes the Commission to make regulations governing the form of certificates relating to a preliminary prospectus, prospectus and amendments to a prospectus and the persons required to sign the certificates;

Sub-clause 154(1)(o)(xii) of the Act authorizes the Commission to make regulations governing eligibility, and loss of eligibility, to obtain a receipt for, or distribute, securities under a particular form of prospectus;

Paragraph 143(1)16(ix) of the Act authorizes the Commission to make rules establishing provisions for varying withdrawal rights.

Clause 154(1)(u.5) of the Act authorizes the Commission to make regulations prescribing information, documents, records or other materials that are required to be filed or delivered;

Clause 154(1)(v) of the Act authorizes the Commission to make regulations governing investment funds and the advertising, distribution and trading of the securities of investment funds and without limiting the generality of the foregoing:

- (i) designating issuers or a class or classes of issuers as investment funds or as non-redeemable investment funds;
- (ii) respecting sales charges imposed by a distribution company or contractual plan service company under a contractual plan on purchasers of shares or units of an investment fund;
- (iii) prescribing a penalty for the early redemption of shares or units of an investment fund;
- (iv) prescribing the form and contents of reports to be filed by the management company or distributors of an investment fund;
- (v) respecting:
 - (A) the custodianship of assets of any investment fund;
 - (B) the minimum capital requirements for any investment fund making a distribution and prohibiting or restricting the reimbursement of costs associated with the organization of an investment fund;
 - (C) any matters affecting any investment fund that require the approval of security holders of the fund, the Commission or the Director;
 - (D) the contents and use of sales literature, sales communications and advertising relating to any investment fund or securities of any investment fund;
- (vi) permitting or restricting investment policies and practices in connection with any investment fund;
- (vii) prescribing the requirements with respect to, or in relation to, promoters, advisers or persons and companies that administer or participate in the administration of the affairs of investment funds;
- (viii) requiring investment funds to establish and maintain an independent committee for the purposes described in section 128.1, prescribing its powers and duties and prescribing requirements relating to:
 - (A) the mandate and functioning of the independent committee;

(B) the composition of the independent committee and qualifications for membership on the independent committee, including the matters respecting the independence of members and the process for selecting members;

(C) the standard of care that applies to members of the independent committee when exercising their powers, performing their duties and carrying out their responsibilities;

(D) the disclosure of information to security holders of the investment fund, to the investment fund manager and to the Commission;

(E) matters affecting the investment fund that require review by the independent committee or approval of the independent committee;

Clause 154(1)(ii) of the Act authorizes the Commission to make regulations respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required pursuant to or governed by the Act, and the regulations and all documents determined by the regulations to be ancillary to the documents;

Clause 154(1)(jj) of the Act authorizes the Commission to make regulations respecting the filing of records pursuant to this Act or the regulations;

Clause 154(1)(pp) of the Act authorizes the Commission or the Director to exempt any person, company, trade or security from all or any provision of the regulations, including authorizing the Commission or the Director to prescribe any terms or limitations on an exemption and requiring compliance with those terms and limitations;

Clause 154(1)(oo) of the Act authorizes the Commission to make regulations exempting any person, company, trade or security from all or any provision of this Act or the regulations, including prescribing any terms or limitations on an exemption and requiring compliance with those terms or limitations; and

Clause 154(2) of the Act authorizes the Commission to, subject to any conditions prescribed pursuant to the regulations made pursuant to subsection (1) and in accordance with any procedures prescribed pursuant to the regulations made pursuant to subsection (1), the Commission may make regulations respecting any matter or thing with respect to which the Commission is authorized pursuant to clause (1)(tt) to make regulations.