

Form 45-539F3
Small Business Undertaking

To: Executive Director
Alberta Securities Commission
Suite 600, 250–5th St. SW
Calgary, Alberta, T2P 0R4
Filed via SEDAR

and/or

Executive Director
Financial and Consumer Affairs Authority of Saskatchewan
601-1919 Saskatchewan Dr.
Regina, Saskatchewan, S4P 4H2
Filed by email to corpfin@gov.sk.ca

RE: Undertaking to file with the Alberta Securities Commission or deliver to the Financial and Consumer Affairs Authority of Saskatchewan annual financial statement and notice of proceeds for offerings conducted under Alberta Securities Commission Blanket Order 45-539 *Small Business Financing* or the Financial and Consumer Affairs Authority of Saskatchewan General Order 45-539 *Small Business Financing* (together, the Order)

The [*insert name of issuer*] (the **Issuer**) has distributed securities under the Order and is required to file with, or deliver to each participating jurisdiction in which the distribution occurred this undertaking in accordance with the Order.

The Issuer undertakes to do the following:

1. Within 120 days after the end of each of its financial years,
 - (a) if the distribution occurs in Alberta, file with the Alberta Securities Commission;
 - (b) if the distribution occurs in Saskatchewan, deliver to the Financial and Consumer Affairs Authority of Saskatchewan; or
 - (c) if the distribution occurs in Alberta and Saskatchewan, file with the ASC and deliver to the FCAA;

its annual financial statements and deliver or make them reasonably available to each holder of a security distributed under the Order and any transferee of such security.

2. Despite paragraph 1 of this Undertaking, if the Issuer is required to file or deliver annual financial statements for a financial year that ended before the Issuer distributed securities under the Order, then the first time the financial statements are required, they will be filed or delivered on or before the later of
 - (a) the 60th day after the Issuer first distributed securities under the Order in a distribution in which financial statements were required; and
 - (b) the deadline in paragraph 1 of this Undertaking to file or deliver the annual financial statements.
3. The annual financial statements referred to in this Undertaking will comply with Schedule B *Financial Statement Instructions (Schedule B)* of Form 45-539F1 *Small Business Offering Document (Offering Document)* as if they were financial statements required to be filed or delivered with the Offering Document.
4. If the annual financial statements referred to in this Undertaking present the components of profit or loss in a separate income statement, the separate income statement will be displayed immediately before the income statement referred to in paragraph 4 of Schedule B.
5. If the Issuer decides to change its financial year end by more than 14 days, it will file with, or deliver to the applicable securities regulator(s) and make reasonably available to each holder of a security acquired under an Order in a distribution in which financial statements were required, a notice containing the information set out below in paragraph 6 as soon as practicable and, in any event, no later than the earlier of
 - (a) the deadline, based on the Issuer's old financial year end, for the next annual financial statements referred to in paragraph 1; and
 - (b) the deadline, based on the Issuer's new financial year end, for the next annual financial statements referred to in paragraph 1.
6. The notice referred to in paragraph 5 will state
 - (a) that the Issuer has decided to change its financial year end;
 - (b) the reason for the change;
 - (c) the Issuer's old financial year end;
 - (d) the Issuer's new financial year end;

- (e) the length and ending date of the periods, including the comparative periods, of the annual financial statements referred to in this Undertaking for the Issuer's transition year and its new financial year; and
 - (f) the filing deadline for the annual financial statements for the Issuer's transition year.
7. If a transition year is less than 9 months in length, the Issuer will include as comparative financial information to its annual financial statements for its new financial year
- (a) a balance sheet, an income statement, a statement of retained earnings, a cash flow statement, and notes to the financial statements for its transition year;
 - (b) a balance sheet, an income statement, a statement of retained earnings, a cash flow statement, and notes to the financial statements for its old financial year;
 - (c) in the following circumstances, a balance sheet as at the beginning of the old financial year:
 - (i) the Issuer discloses in its annual financial statements an unreserved statement of compliance with IFRS or the modified regulatory accounting principles (as defined in Schedule B), and
 - (ii) the Issuer
 - (A) applies an accounting policy retrospectively in its annual financial statements,
 - (B) makes a retrospective restatement of items in its annual financial statements, or
 - (C) reclassifies items in its annual financial statements; and
 - (d) if applicable, in the case of the Issuer's first International Financial Reporting Standards (**IFRS**) financial statements, the opening IFRS statement of financial position at the date of transition to IFRS.
8. A transition year will not exceed 15 months.
9. An SEC issuer (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) satisfies paragraphs 5 and 7 of this Undertaking if
- (a) it complies with the requirements of "U.S. federal securities law" (as defined in National Instrument 14-101 *Definitions*) relating to a change of fiscal year, and

- (b) it delivers a copy of all materials required by U.S. federal securities law relating to a change in fiscal year to the applicable securities regulator at the same time as, or as soon as practicable after, they are filed with or furnished to the Securities and Exchange Commission of the United States of America (SEC) and, in any event, no later than 120 days after the end of its most recently completed financial year.
- 10. The financial statements of the Issuer referred to in this Undertaking will be accompanied by a notice of the Issuer disclosing in reasonable detail the use of the aggregate gross proceeds raised by the Issuer under the Order in accordance with Form 45-106F16 *Notice of Use of Proceeds* (**Form 45-106F16**) made under National Instrument 45-106 *Prospectus Exemptions*, unless the Issuer has previously disclosed the use of the aggregate gross proceeds in accordance with Form 45-106F16.
- 11. The Issuer will make the disclosures specified by paragraphs 1 to 10 for the 3 financial years after the closing of the distribution.

DATED this _____ day of _____, 20____.

[NAME OF ISSUER]

Per: _____
[NAME]
[TITLE]